

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 4588  
**COMPANY NAME** : UMW HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 31, 2022

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises its responsibilities in governing, guiding and monitoring the performance of the entire UMW Group. In order to ensure the effective discharge of its functions and responsibilities, the Board has established a Corporate Governance (<b>CG</b>) Framework and practices, where there is a clear division of responsibilities between the Board and the Management.</p> <p>The Board is led by a Non-Independent Non-Executive Chairman, whose principal responsibility is to ensure the effective running of the Board. Except for matters reserved for shareholders, the Board is the ultimate decision-making body of the Group. Specific powers of the Board are delegated to the relevant Board Committees and the Management, led by the President &amp; Group Chief Executive Officer (<b>PGCEO</b>), Dato' Ahmad Fuaad Mohd Kenali.</p> <p>The responsibility of steering the Group towards a sustainable future rest on the Board. In addition to adopting a sound ethical and governance framework and financial management policies, the Board also ensures that there are adequate resources to meet the Group's objectives.</p> <p>The Board Committees such as the Audit Committee (<b>AC</b>), the Nomination &amp; Remuneration Committee (<b>NRC</b>), the Investment Committee (<b>IC</b>), the Risk Management &amp; Sustainability Committee (<b>RMSC</b>), the Integrity and Whistle-Blowing Committee (<b>IWBC</b>) and the Employees' Share Option Scheme Committee (<b>ESOSC</b>), were established to exercise oversight in specific areas. All of these Board Committees have specific responsibilities with authority to act on behalf of the Board, as mandated in their respective Terms of Reference (<b>TOR</b>).</p> <p>The Board assumes the following specific duties which are discharged in the best interests of the Company:</p> <p><b>1. Establishing and reviewing the strategic direction of the Group</b></p> <p>The Board plays an active role in the development of the Group's long-term strategic objectives and direction, reviews and approves the Group's business and strategic plans and annual budget and monitors the implementation and achievement of the Group's corporate objectives. The Board focuses on business strategy to understand the key drivers of the Group's performance in ensuring that the Group is responsive to changes in the business and economic environments.</p>

The Group's annual strategic planning process for 2022 began with the UMW Strategic Retreat 2021 session, which was held on 1 and 2 November 2021. The session, with the participation of the Board members and the Senior Management, provided a platform for the PGCEO, to present the UMW Group's 5-year Strategic Plan 2022 - 2026 on the implementation of the Group's transformation framework and broad strategies under CREST@2021.

The finalised proposed strategic plan of CREST@2021 for FY2022 was presented at the Board Meeting held on 16 December 2021 where it was deliberated and approved for implementation by the Board.

## **2. Overseeing and evaluating the conduct of the Company's businesses**

The PGCEO is the conduit between the Board and the Management and is primarily responsible for implementing the policies of the Board, overseeing the Group's operations and developing the Group's business strategies, which include performance targets and long-term goals established by the Board.

Progress is monitored against the agreed Key Performance Indicator (KPI) targets, comprising both qualitative and quantitative measurements, as approved by the Board. Execution of annual strategy and challenges are reported to the Board on a regular basis. This enables the Board to receive first-hand updates from the Management on their performance, key developments and/or other issues and prospects.

## **3. Ensuring the integrity of the Group's financial and non-financial reporting**

The Board also oversees the Group's business affairs and conducts periodic reviews of the Group's financial performance and implements policies relating to financial matters, which include risk management and internal control and compliance in ensuring alignment to the Group's strategy, operations and the external environment.

In presenting the annual financial statements and quarterly announcements to Bursa Malaysia Securities Berhad (**Bursa Securities**) and all disclosures to the shareholders, the Board is fully committed to providing a clear, balanced and comprehensible assessment of the Group's financial performance and its future prospects.

The AC assists the Board in overseeing the financial reporting process and ensuring the quality of financial reporting by the Group. The AC reviews and monitors the accuracy and integrity of the Group's annual and quarterly financial statements. The AC also assists the Board in reviewing the appropriateness of accounting policies applied by the Group as well as the changes in these policies.

The Board is fully accountable for ensuring that the financial statements of each financial year are prepared in accordance with applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 (**CA 2016**). It is also the responsibility of the

Board to ensure that the financial statements represent a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable financial accounting standards have been followed; and
- Prepared financial statements on a going concern basis, having made due enquiries that the Group and the Company have adequate resources to continue operations in the foreseeable future.

The Directors have the overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

#### **4. Promoting good corporate governance culture within the UMW Group**

The Board, the Management and the employees of the Group affirm and remain resolute in the Group's commitment to enhance shareholders' value and its overall competitive positioning by way of upholding the highest standards of CG practices.

The Group's CG Framework is a reflection of the way strategic and operational activities are managed. The roles of stakeholders, the Board, the Board Committees and the Management are distinctly different but complementary in attaining the Group's core objectives. The Board plays an active role in advising, administering and reviewing the Group's governance framework and practices for implementation Group-wide, as it believes that an effective CG structure and culture lies at the core of the UMW Group's pursuit to achieve its vision and objectives. This includes among others, ethical conduct, business integrity, commitment to values, delivering sustainable values and managing stakeholders' expectations.

To discharge its duties and responsibilities, the UMW Group's CG Framework and practices were developed and regularly reviewed based on relevant statutory requirements, best practices and guidelines, which were encapsulated into the Board Charter and the TOR of the respective Board Committees. The governance structure is also complemented by the UMW Group's Financial Limit Authority Guidelines (**FLAG**), which sets out the respective authority limits, including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, the PGCEO, the Flagship Boards (**FB**), the Management Committee (**MC**) and the Management.

The holding company formulates strategies to optimise the Group's performance and oversees activities at the consolidated level, while the core businesses retain the necessary authority and responsibility for conducting their own operations. This allows the Board to take a broader perspective on issues affecting the Group, such as overall strategy, risk management and governance level.

With the Group's significant presence in the countries it operates, the Group also monitors and abides by the guidelines of relevant regulators and authorities.

The Board also promotes a healthy corporate governance culture and ethical values through its transparent and objective conduct formalised through the adoption of the Board Code of Conduct and Ethics (**BCCE**), which was adopted by the Board since 21 August 2009.

As a testament to the Board's unwavering commitment to upholding the highest level of corporate governance, the Company was honoured with the prestigious Industry Excellence Award for CG Disclosure at the esteemed MSWG-ASEAN Corporate Governance Awards 2021.

The Company was further bestowed with the ASEAN Asset Class PLCs at the 2021 ASEAN Corporate Governance Scorecard (**ACGS**) Virtual Award on 1 December 2022. This comprehensive evaluation, undertaken every two (2) years by the ASEAN Capital Markets Forum (**ACMF**) involving six (6) ASEAN countries, is a testament to our unwavering dedication to upholding the highest standards of corporate governance.

#### **5. Identifying principal risks and ensuring implementation of appropriate systems for managing risks**

The Board oversees the Enterprise Risk Management (**ERM**) Framework of the Group via RMSC, which comprises members of the Board. The oversight of this critical area is carried out by the Management Risk Committee (**MRC**). The RMSC also reviews and endorses the risk parameters, risk appetite, risk profiles as well as risk action plans presented by the MRC. These systems cover not only financial controls but also strategic, organisational, operational, regulatory and compliance controls.

In addition to the reporting requirements to the Board, the RMSC has specific responsibilities which include, but are not limited to, formulating and implementing an ERM mechanism to accomplish the requirements of the ERM policy and to articulate and challenge risk ratings. This is to ensure that the Group has the necessary risk management infrastructure encompassing the risk assessment process, organisational oversight and reporting function to instil the appropriate discipline and control for continuous improvement of risk management capabilities.

Details of the RMSC and the Group's ERM Framework are set out in the Statement on Risk Management and Internal Controls (**SORMIC**) on pages 136 to 142 of the Company's Integrated Annual Report 2022 (**IAR 2022**).

#### **6. Establishing succession planning**

The Board, through the NRC, oversees a clear and orderly succession plan for the PGCEO and the Group's Senior Management. The NRC is responsible for formulating the nomination, selection and succession policies for the Group. The Board acknowledges that in a competitive global environment, where securing talents is a challenge, more attention is needed in managing human capital development. In discharging its responsibility on

succession planning, the NRC receives succession management updates from the Group Human Capital Division (**GHCD**) in accordance with the succession management framework.

The Talent Council (**TC**) has been established to undertake a comprehensive review and assessment on the potential talents and successors and monitor the appropriate development programmes to ensure the readiness of identified candidates in assuming critical positions within the Group. Through the framework and structured leadership development programme, regular leadership assessments, as well as cross-functional assignments, the Group has been able to identify potential successors to critical positions and their level of readiness.

In ensuring that all candidates appointed to Senior Management positions are of sufficient calibre, the NRC considers the suitability of shortlisted candidates based on their profiles, professional achievements and personality assessments. For the renewal of service contracts for the Senior Management, the NRC considers their performance, contributions, achievements and deliverables for the past years. At the same time, the NRC considers their remuneration packages when finalising the terms and conditions of their service contracts.

**7. Ensuring the existence of a good investor relations programme and shareholder communication policy**

The Board has always recognised the importance of accurate and timely dissemination of information to shareholders and investors, existing and prospective, about the Group's operations, strategies, performance and prospects to maintain credibility and build stronger relationships with the investment community. Communications with the investment community/media/public and disclosures made are in accordance with the UMW Group Investor & Media Relations Policy (**IMRP**).

The IMRP regulates the review and release of information to shareholders, stakeholders and the public at large, facilitating timely and accurate disclosure of the Group's affairs. The IMRP identifies selected Senior Management as the authorised spokespersons of UMW and defines each spokesperson's focus area.

Further information on the Group's IR updates, financial reports, stock exchange announcements, analyst reports, etc., are available on the Company's website at [Financial Reports - UMW Holdings](#).

**8. Reviewing the adequacy of the internal control policy and mitigation measures**

The Board is ultimately responsible for the adequacy, effectiveness and integrity of the Group's internal control system and continues to maintain and review its internal control system to ensure, as far as possible, the protection of the Group's assets and the Company's shareholders' investments.

Details on the Group's internal control system and its effectiveness are set out in the SORMIC on pages 136 to 142 of the IAR 2022.

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.2**

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is helmed by Tan Sri Dato’ Sri Hamad Kama Piah Che Othman, a Non-Independent Non-Executive Chairman, since 2017. His principal responsibility is to ensure the effective running of the Board, as well as undertake the role of a leader for the effective conduct of the Board. As the Group Chairman, he principally ensures the Board fulfils its obligations under the Board Charter and as required under the relevant legislation.</p> <p>The Group Chairman is also responsible for leading the Board in ensuring the effectiveness of all aspects of its role including setting the values and ensuring that the essence of good CG practices is being implemented across the Group at all levels. He is supported by a number of Board Committees where specific powers of the Board are delegated in accordance with their respective TOR to ensure the effectiveness of the Board in attaining the Group’s objectives.</p> <p>The Group Chairman, in consultation with the PGCEO and the Joint Group Secretary, sets the agenda for Board meetings and ensures that all relevant issues are tabled for Board’s deliberation. As Group Chairman, he is responsible for ensuring that the provision of accurate, timely and clear information is made available to the Board. He ensures that sufficient time is allowed for deliberation of complex or contentious issues prior to a decision being reached at meetings. He also manages the Boardroom dynamics by promoting a culture of openness and encourages active participation by the Board, and ensures issues discussed are forward-looking and strategic.</p> <p>Outside the Boardroom, the Group Chairman also plays a pivotal role in accommodating constructive dialogue and ensures effective communication with shareholders together with the PGCEO. The Group Chairman’s profile can be found on page 88 of the IAR 2022.</p> <p>The roles and responsibilities of the Group Chairman are clearly stipulated in the Board Charter which is available on the Company’s website at <a href="http://www.umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Group Chairman and the PGCEO are held by two (2) different individuals. The distinct and separate roles and responsibilities of the Group Chairman and the PGCEO are provided in Paragraphs 8.2 and 8.3 respectively of the Board Charter which is available in the Company's website at <a href="http://umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p> <p>The Group Chairman, Tan Sri Dato' Sri Hamad Kama Piah is a Non-Independent Non-Executive Chairman, whose principal responsibility is to ensure the effective running of the Board and manages the Group's commitment to delivering sustainable values and meeting shareholders' expectations.</p> <p>The PGCEO, Dato' Ahmad Fuaad, is the conduit between the Board and the Management in ensuring the execution of the Group's strategies and day-to-day business operations are performed at the highest level of integrity and transparency. He is also responsible for ensuring high management competency as well as the implementation of an effective management succession plan to sustain the continuity of operations. The PGCEO is primarily responsible for implementing the policies of the Board, overseeing the Group's operations and developing the Group's business strategies, which include performance targets and long-term goals established by the Board. The PGCEO's profile can be found on page 89 of the IAR 2022.</p> <p>The clear division of responsibilities allows the Group Chairman to assume the formal role of an independent leader in setting the policy framework of the Group and effective conduct of the Board, with the proper balance of authority and greater capacity for independent decision-making.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.4**

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	For 2022, UMW is in compliance with Practice 1.4 of the Malaysian Code on Corporate Governance 2021 ( <b>MCCG</b> ), whereby, the Group Chairman is Tan Sri Dato' Sri Hamad Kama Piah who is not a member of the Audit Committee ( <b>AC</b> ) and Nomination & Remuneration Committees ( <b>NRC</b> ). In addition, the Group Chairman has never been invited to attend nor participated in any of the Board Committees' meetings.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On 17 January 2022, Puan Noor Azwah Samsudin resigned as the Group Secretary of UMW and was succeeded by YM Raja Norakmar Raja Mohd Ali, who was appointed as the Joint Group Secretary of UMW. She has the qualification and extensive professional experience in corporate secretarial, governance and compliance matters, spanning more than 35 years. She is qualified to act as company secretary under Section 235(2) of the CA 2016 and is registered with the Companies Commission of Malaysia (<b>CCM</b>) under Section 241 of the CA 2016 and is issued with practising certificate by CCM.</p> <p>Despite the abrupt change in the corporate secretaryship, the succeeding Joint Group Secretary continues to provide the necessary support and assistance to the Board with regard to corporate governance matters, Board policies and procedures and compliance with regulatory requirements, codes, guidance and legislations.</p> <p>The duties of the Joint Group Secretary include among others, the following:</p> <ul style="list-style-type: none"><li>• Managing the logistics of all Board and Board Committee meetings. Attendance and minutes of all Board and Board Committee meetings are properly recorded and kept by the Joint Group Secretary. All deliberations at the Board and Board Committee meetings are well documented, and subsequently communicated to the Management for appropriate actions.</li><li>• The Board is updated by the Joint Group Secretary on the follow-up of its decisions and recommendations by the Management. Action items would stay as matters arising in the minutes of meetings until they are resolved or completed.</li><li>• In upholding high CG standards and in relation to compliance with relevant laws, rules, regulations and governance best practices, boardroom effectiveness and Directors' duties and responsibilities, the Joint Group Secretary provides support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance of UMW. In this respect, they play an advisory role to the Board, particularly with regard to the Company's constitution, Board policies and procedures, CG best practices and its compliance with regulatory requirements, codes, guidelines and legislations. The Joint Group Secretary also supports the Board in managing the Group's Governance Model to ensure its relevance and effectiveness.</li><li>• Facilitating the organisation and enrolment of training programmes, briefings, workshops and seminars for Board members.</li></ul>

	<ul style="list-style-type: none"> <li>• Serves as a focal point for stakeholders' communication and engagement on CG issues, as well as communication between regulators, the Board and Senior Management. He/she ensures that regulators' requests and instructions are conveyed to the Board and Senior Management in a timely manner, with appropriate advice.</li> <li>• During the year, the Joint Group Secretary shared with the Board on the latest development of global trends and developments on CG practices/updates as issued by the relevant regulators.</li> <li>• The Joint Group Secretary organise induction programmes for new Directors/Committee members. In these programmes, the Joint Group Secretary provides new Directors with background on the Governance and structure of UMW Group and the Directors' fiduciary duties, public interest responsibilities and other regulatory obligations. The Joint Group Secretary and the relevant Management team members gave separate briefings to the following of newly appointed Directors, to be familiarised with the business and operations of UMW Group and its subsidiaries: <ul style="list-style-type: none"> <li>1) Shahin Farouque Jammal Ahmad: 26 July 2022;</li> <li>2) Mohd Shahazwan Mohd Harris: 26 July 2022; and</li> <li>3) Datuk (Dr.) Yasmin Mahmood: 28 October 2022.</li> </ul> </li> </ul> <p>The Joint Group Secretary is supported by a team of suitably qualified governance staff from the Group Secretarial &amp; Corporate Governance Division (<b>GSCG</b>) to ensure effective implementation and monitoring of CG best practices throughout the Group.</p> <p>The Joint Group Secretary and her team constantly keep themselves abreast of the regulatory changes and developments in CG and other relevant statutory requirements through relevant conferences and training programmes. They have also completed the relevant continuous professional development programmes as required by the CCM or other professional bodies for practising company secretaries.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.6**

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In facilitating the Board members to discharge their responsibilities efficiently and effectively. The Board members are given advance notice of scheduled Board and Board Committees meetings for the year issued by the Joint Group Secretary, which includes among others, scheduled dates for meetings of the Boards and Board Committees, the Annual General Meeting (<b>AGM</b>), to allow them to lock in their dates for advance planning and ensure that they can allocate time to attend Board/ Board Committee meetings. The Board members were also given early notice on the targeted closed periods for dealings in securities based on the targeted dates of announcements of the Group's quarterly results for compliance purposes.</p> <p>All Board members are provided with meeting materials within five (5) days before meetings to enable them to review and consider the agenda items to be discussed. In addition, all meeting materials contain clear information flow with standard presentation and level of comprehensiveness in a prescribed format. In order for the Board meetings to be more effective and to enable in-depth deliberation of matters, the Board meeting agenda is sequenced in a manner that prioritises approval papers and the complexity of the proposals.</p> <p>The UMW Group adopts a common digital platform, where meeting materials are uploaded electronically to allow board papers and other information to be securely uploaded by the Management and remotely accessed by Board members in a timely and efficient manner. The digital platform, which is accessible via iPad and laptops, helped improve the timeliness of the circulation of meeting materials. Apart from uploading meeting materials onto a digital platform, other electronic meeting platforms are also made available to facilitate Board members to convene virtual meetings.</p> <p>The heads of operations are required to make presentations on proposal papers and brief/update Board members on operational issues from time to time to facilitate Directors in discharging their duties.</p> <p>Minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation at the following Board meetings. Directors may request further clarification or raise comments on the minutes prior to confirmation by the Board. The Board keeps abreast of key issues and decisions made by Board Committees through verbal updates by the Chairman of each committee and via the minutes of Board Committee meetings presented to the Board. Discussions on key action items from the last Board and Board Committee meetings were discussed in detail under matters arising.</p> <p>The Board can have access to independent professional advice, where necessary, for the proper discharge of its duties and at the Group's expense.</p>

<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board Charter of UMW serves as a primary reference for all Directors of the Company and of the operating subsidiaries in the Group, of their fiduciary duties and responsibilities as Board members and on various legislations and regulations affecting their conducts, to ensure that the Board members apply the principles and practices of good CG in all their dealings in respect and on behalf of the Company. The Board is also guided by the FLAG, which clearly defines the relevant matters and applicable authority limits, including those reserved for the Board, the PGCEO and the Management.</p> <p>The roles and responsibilities of the Board, the Group Chairman, the Senior Independent Director, and the PGCEO are clearly outlined in the Board Charter. It also serves as a source of reference and primary induction literature to provide insights to prospective and/or newly appointed Board members and Senior Management.</p> <p>The duly reviewed and updated Board Charter and the revised TOR of the Board Committees which was approved by the Board on 26 January 2023 are available on UMW's corporate website at <a href="http://umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p> <p>At the Management level, several committees, namely, the Management Audit Meeting (<b>MAM</b>), the Management Risk Committee (<b>MRC</b>), and the Tender Committee have been established to ensure that CG practices and ethical behaviour are upheld at all times in the Group's business dealings.</p> <p>The Board ensures that there are adequate resources to meet the Group's objectives. The Board assumes the following specific duties which are discharged in the best interests of the Group:</p> <ul style="list-style-type: none"><li>• Establish and review the strategic direction of the Group;</li><li>• Together with the Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;</li><li>• Review, challenge and decide on the Management's proposals for the Company, and monitor their implementation by the Management;</li><li>• Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;</li><li>• Supervise and assess the Management performance to determine whether the business is being properly managed;</li><li>• Oversee and evaluate the conduct of the Group's businesses;</li><li>• Ensure there is a sound framework for internal controls and risk management;</li></ul>

- Identify and understand the businesses' principal risks, recognise that business decisions involve the taking of appropriate risks and ensuring that risks are properly managed;
- Set the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- Establish an orderly succession plan for the Board and the Senior Management;
- Ensure that the Senior Management has the necessary skills and experience;
- Ensure the existence of procedures to enable effective communication with stakeholders;
- Review the adequacy of the internal control policy; and
- Ensure the integrity of the Group's financial and non-financial reporting.

The Board also reserves full decision-making powers on the following matters:

- Material acquisitions and disposals of assets;
- Investments in major projects;
- Limits of authority;
- Treasury policies;
- Risk management policies;
- Key human resource issues; and
- Conflict of interest issues relating to substantial shareholder or Director.

The Board is also responsible in ensuring that training and education programmes are made available to the Directors, to enable them to update their knowledge and enhance their skills, hence, enabling them to sustain active participation in Board deliberations.

To facilitate the identification of appropriate training and education programmes based on the Board's assessment of the Directors' training needs in accordance with Paragraph 15.08(3) (a) of the Main Market Listing Requirements (**MMLR**) of Bursa Securities, the Directors were invited to attend a series of appropriate training and education programmes to further enhance their skills and knowledge. The Company also allocates a dedicated training budget to support the continuous development of Board members.

The Joint Group Secretary facilitates in organising and enrolment of training programmes, briefings, workshops and seminars for Directors. Whenever required, Directors may request for training programmes on specific subjects to facilitate them in discharging their duties effectively.

In accordance with Paragraph 15.08(3)(b) of the MMLR of Bursa Securities, the Directors had attended various external programmes in 2022.

Detailed information on the training programmes attended by individual directors as follows:

No.	Name of Director	Segment	Forum/Training Programme	Date Attended	Co-ordinator/Organiser
1.	Tan Sri Dato' Sri Hamad Kama Piah Che Othman	Corporate Governance (including audit, risk management, compliance)	Webinar on the Anti-Bribery Management System (ABMS) and Refresher on the Malaysian Anti-	26/01/2022	Malaysian Anti-Corruption Commission (MACC)



			and internal control)	Corruption Commission Act (MACCA)		
			Sustainability and Others	Permodalan Nasional Berhad (PNB) Knowledge Forum 2022: Sustainable Investing: ESG at the Forefront	10/08/2022	PNB Research Institute Sdn Berhad (PNBRi)
				Seminar Yayasan Tuanku Fauziah: Wanita Dalam Pembangunan Negara	20/10/2022	Dewan Bahasa dan Pustaka (DBP)
				Institute of Islamic Understanding Malaysia (IKIM) International Forum on "Ungku A. Aziz: Expanding Frontiers of Development"	15/12/2022	Institute of Islamic Understanding Malaysia (IKIM)
	2.	Dato' Ahmad Fuaad Mohd Kenali	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022	MACC
			Leadership, Legal and Business Management	Advanced Management Program	06/11/2022 - 29/11/2022	International Institute for Management Development (IMD)
				International Directors Summit 2022: The B Factor - [Bold + Brave] Boards	26/09/2022 - 28/09/2022	Institute of Corporate Directors Malaysia (ICDM)
				Leadership Imperative: Behind Successful Leadership Transformation	14/09/2022	IMD
			Sustainability and Others	Khazanah Megatrends 2022	03/10/2022 - 04/10/2022	Khazanah Malaysia Berhad (Khazanah)
				SIDC Business Foresight Forum 2022: Scaling up Innovation Towards Future Sustainable	19/10/2022	Securities Industries Development Corporation (SIDC)
				Preserving the Climate Through Sustainable Business and Living	22/06/2022 - 23/06/2022	SIDC
				Executive Masterclass: Developing Malaysia Road Map to Net Zero	27/04/2022	Malaysian Institute of Certified Public Accountants

						(MICPA)/ KPMG PLT
3.	Dato' Eshah Meor Suleiman	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022		MACC
		Information Technology and Innovation	Webinar On 'Artificial Intelligence (AI) for Company Directors and Executives'	15/03/2022		Malaysian Institute of Corporate Governance
		Leadership, Legal and Business Management	International Directors Summit 2022	26/09/2022 - 28/09/2022		ICDM
		Sustainability and Others	PNB Knowledge Forum 2022: Accelerating the Net Zero Transition	21/06/2022 - 22/06/2022		PNB
4.	Datin Paduka Kartini Hj Abdul Manaf	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022		MACC
		Leadership, Legal and Business Management	Strategic Management	24/11/2022 - 25/11/2022		ICLIF
		Financial Related Matters	Fundamentals and Application of the Taskforce on Climate-related Financial Disclosure (TFCD)	01/12/2022		ICLIF
5.	Dr. Veerinderjeet Singh Tejwant Singh	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022		MACC
			Corporate Governance & Remuneration Practices for The ESG World	06/09/2022		ICLIF
		Information Technology and Innovation	Leading Data Driven Organisation and Applying Ethics in the Use of Technology	08/03/2022		MIA
		Leadership, Legal and Business Management	How Boards Should Rethink Their Talent Strategy in this Era of Opportunity	19/05/2022		ICDM
			Climate Change and Carbon: From the Financial Risk &	04/08/2022		ICDM

				Reporting Perspectives		
				SID Directors Conference 2022	15/09/2022	Strategic Investment Division (SID)
				International Directors Summit 2022	26/09/2022 - 28/09/2022	ICDM
			Financial Related Matters	Meta Finance: The Next Frontier of the Global Economy	23/05/2022	Financial Institution Directors' Education (FIDE)
				Case-Based Series: Part 1 - The Board's Performance Role	15/06/2022	ICLIF
				Case-Based Series: Part 2 - The Board's Conformance Role	16/06/2022	ICLIF
				Unlocking the Potential of Digital Finance via Labuan IBFC's Digital Ecosystem	28/09/2022	International Business and Financial Centre (IBFC)
				The Emerging Trends, Threats, and Risks to the Financial Services Industry	24/11/2022	Amanah Saham Bumiputera (ASB)
				Fundamentals and Application of the TFCD	01/12/2022	ICLIF
			Sustainability and Others	BNM-FIDE FORUM Dialogue: Climate Risk Management and Scenario Analysis	08/03/2022	FIDE
			Sustainability and Others	FCD Series Module B: Stakeholder Voice in the Boardroom	09/03/2022 - 10/03/2022	ICDM
				Steward Leadership for Sustainability	12/04/2022	ICLIF
				Materiality: Determining ESG Topics That Matter	21/06/2022	ICLIF
				Assessing Your Organizational Culture	22/06/2022	ICLIF
				The Elements of ESG Metrics. Measuring What Matters	29/09/2022	SID
				Modern Governance and ESG: Connecting Board Effectiveness and ESG Implementation	06/10/2022	SID
				Sustainability in the Spotlight:	13/10/2022	SID

			Board ESG Oversight and Strategy		
			How Boards can Implement an Integrated Approach to Climate Risk and Strategy	20/10/2022	SID
6.	Razalee Amin	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022	MACC
			Engagement Quality Reviews and Documentation ISQM2, ISA 220 (Revised) & ISA 230	06/04/2022	MIA
			Determining Materiality in Audit	15/08/2022	Association of Malay Chartered Accountant Firm Malaysia (AMCAF)
			MIA: Audit Evidence and Sampling	07/09/2022	MIA
			MIA: The Corporate Governance Overview Statement, CG Report, Audit Committee Report, and Statement on Risk Management & Internal Control	17/10/2022	MIA
		Information Technology and Innovation Financial Related Matters	Challenges in Digital Transformation	20/01/2022	Naluri Hidup Sdn Bhd
			ISQM1 - The Processes (FRAP & MRP)	20/06/2022	AMCAF
			Modified Audit Report VS Modified Audit Opinion	03/08/2022	AMCAF
			MIA-ISQM Implementation Part 2 - Formulating the firm's ISQM Manual - Policies and Procedures	24/11/2022 - 25/11/2022	MIA
			MIA- ISQM Implementation Part 3 - Forms and other Documentation	1/12/2022	MIA
			Messrs KPMG Seminar. "2022 MFRS Updates Seminar"	13/12/2022	Malaysian Accounting Standards Board (MASB)

		Sustainability and Others	The Efficacies of Integrated Reporting for Listed Organisations	07/04/2022	NovaFusion
			Advocacy Dialogue on Bursa Malaysia's Enhanced Sustainability Reporting Framework	12/12/2022	ICDM
7.	Dato' Seri Prof. Dr. Ir. Zaini Ujang	Corporate Governance (including audit, risk management, compliance and internal control)	Webinar on the ABMS and Refresher on the MACCA	26/01/2022	MACC
			Kursus Penutup Kesedaran Keselamatan Perlindungan Bagi Dokumen Terperingkat	30/06/2022	Kementerian Alam Sekitar dan Air (KASA)
		Information Technology and Innovation	Forum 1, 100 Years of the PTD: Looking Back-Going Forward"	14/06/2022	Persatuan Perkhidmatan Tadbir dan Diplomatik (PPTD)
		Leadership, Legal and Business Management	Panel Forum Eksekutif Muda Global - Tajuk: Bual Bicara Kepimpinan	27/10/2022	ILEADS KBS
		Sustainability and Others	Bengkel Pelan Strategik Kementerian Alam Sekitar dan Air (KASA) 2022	23/01/2022-25/01/2022	KASA
			Meeting Khazanah MyClimate	12/01/2022	Khazanah Nasional
			Speaker at Sustainability Talk Series - Climate Action: How Could We Do It Together, effectively?	15/02/2022	Kursi UKM-Yayasan Sime Darby UKM
			Talk UCSI - Net Zero, Managing GHGs Beyond Climate	10/03/2022	University College Sedaya International (UCSI)
			From Climate Mitigation to Climate Resilience	14/03/2022	Institution of Engineers Malaysia (IEM)
			Forum "Water Hazards and Security - 1R4.0"	19/03/2022	IEM
			Forum on Water Management Strategies Keynote Address	21/03/2022	Dubai Expo
			Living Oceans: Reversing Our Impact on	21/03/2022	Dubai Expo

			Marine Ecosystems		
			Water Business Forum: Solutions for Water Network Management	22/03/2022	Dubai Expo
			United Nations Climate Change Conference di Bonn Germany	05/06/2022 - 09/06/2022	KASA
			National Water Innovation Conference and Exhibition (NWICE)	19/07/2022	NWICE
			Environmental Degradation, Water Management and Climate Change: The Malaysian Environment Policy	25/07/2022	Universiti Pertahanan Nasional Malaysia (UPNM)
			INCEIF Roundtable on ESG	29/07/2022	International Centre for Education on Islamic Finance (INCEIF)
			MJIIT Disaster Management - Climate Resilience: Priority in Malaysia	05/08/2022	Malaysian-Japan International Institute of Technology (MJIIT)
			19 <sup>th</sup> Asean Pacific Confederation on Chemical Engineering (APCCHE 2022) Congress - Working Towards a Sustainable Society	10/08/2022	IEM
			The Road to Net Zero: Energy Transition and Business Synergies in ASEAN "Proposed Theme: Driving Business Climate Action Towards Malaysia's NDC Goals"	15/08/2022	ASEAN BAC
			Climate Change: Our Roles	21/09/2022	CELCOM
			Tsukuba MJIIT Seminar - Environmental Sustainability: from Computational Modelling to Global Agenda	29/09/2022	MJIIT
			International Greentech & Eco Products	12/10/2022	Malaysian Green Technology

			Exhibition & Conference Malaysia (IGEM) 2022: Building Low Carbon Cities for Low Carbon Future - Malaysia's Transition Towards Low Carbon Cities Discussion on Cities, Climate Change and Low Carbon Future		and Climate Change (MGTC)
			Malaysia Urban Forum 2022 High Level Dialogue 2 - Topic: Cities and Local Climate Actions	17/10/2022	Urbanice
			United Nation Climate Change Conference - The 27 <sup>th</sup> session of the Parties to the United Nations Framework Convention of Climate Change (UNFCCC COP-27)	06/11/2022 - 12/11/2022	Sharm El Sheikh Mesir
			The State of the Drinking Water Quality and Treatment in Malaysia	29/11/2022	The Malaysian Water Association (MWA)
			Sustainable Water Policy for Developing Economies	08/12/2022	ASIAWATER Dialogue
8.	Dato' Azmi Mohd Ali	Corporate Governance (including audit, risk management, compliance and internal control)	Maybank Islamic Berhad Annual Board Risk Workshop (ABRW) 2022	07/09/2022	Maybank Islamic Berhad
		Information Technology and Innovation	FCD Series Module E: Digital Awareness and Upskilling for Board	23/03/2022	ICDM
		Leadership, Legal and Business Management	2022 AIAC i-Arbitration Learning Series: Islamic Finance Transactions: How Does the i-Arbitration Rules 2021 Assist?	28/04/2022	Asian International Arbitration Centre (AIAC)
			KPMG Board Leadership Centre Exclusive Empowering and Rewarding	18/05/2022	KPMG PLT

				the "Boardroom Brigade" – A Board Remuneration Masterclass		
				ICDM Power Talk: Talent Uprising-How Boards Should Rethink Their Talent Strategy in this Era of Opportunity.	19/05/2022	ICDM
				A Half-Day Lecture Series by Mr John Vercoe on "My Journey as a Commercial and Oil and Gas Lawyer".	15/07/2022	Azmi & Associates (AA)
				Lecture Series by Mr John Vercoe on "Introduction to Legal Aspects of Upstream Oil and Gas".	27/07/2022	AA
				Lecture Series by Mr John Vercoe on "Substance of the Production Sharing Contract and the Joint Operating Agreement".	28/07/2022	AA
				Lecture Series by Mr John Vercoe on "ESG from a Lawyer's Perspective".	29/07/2022	AA
				Webinar Kursus Pembaharuan Ejen Cap Dagangan Siri 3	02/08/2022	Akademi Harta Intelek,
				The Board and Its Role in ESG	25/08/2022	ICDM
				IP Laws Sharing Knowledge Session	08/11/2022	AA
				Sapura Energy's inaugural Global Leadership Huddle	01/12/2022	Sapura Energy Berhad
			Financial Related Matters	Overview Of Accounting for Property Development Activities	06/01/2022	S P Setia Berhad
				Webinar on "Why the Circular Economy?" by Adrienna Zsakay	23/08/2022	AA
			Sustainability and Others	Sharing session by Korn Ferry on ESG	22/03/2022	S P Setia Berhad
				Lecture by Mr John Vercoe on "Current Picture	08/08/2022	Perbadanan Harta Intelek



			of Upstream Oil and Gas Internationally and Its Vital Role in Oil and Gas Value”.		Malaysia (Mylpo)
			PNB Knowledge Forum 2022 - Tall Buildings and Living in the Space Age: The Enigma and Convergence of Science and Art	10/08/2022	Permodalan Nasional Berhad (PNB)
			ESG Webinar by Encik Norhisham Abd Bahrin for the Energy Commission	28/10/2022	AA
			Talk by Mr Derick Loi (ANT Group) - Case Study on Property Companies	10/11/2022	S P Setia Berhad
9.	Shahin Farouque bin Jammal Ahmad	Corporate Governance (including audit, risk management, compliance and internal control)	PNB Integrity Talk 2022: Section 17A MACC Act Corporate Liability, Adequate Procedures, and ISO 37001 ABMS	05/04/2022	PNB
			AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance for Senior Management	25/07/2022	PNB
		Leadership, Legal and Business Management	Keynote Session of iRAC Week	22/03/2022	PNB
			Joint PNB - ASNB Board Offsite	21/06/2022 - 22/06/2022	PNB
			PNB Group Joint Board Offsite	12/12/2022- 13/12/2022	PNB
		Sustainability and Others	PNB Knowledge Forum: Sustainable Investing ESG at the Forefront	21/04/2022	PNB Research Institute Sdn Berhad ("PNBRi")
			Environment, Social and Governance (ESG) Strategies for Board of Directors and Leadership Team	08/08/2022	PNB
			PNB Knowledge Forum: Tall Buildings and Living in the space Age: The Enigma and	10/08/2022	PNBRi

			Convergence of Science and Art		
		Sustainability and Others	Management Offsite - Firm-wide Day	14/11/2022	PNB
10	Mohd Shahazwan Mohd Harris	Leadership, Legal and Business Management	Thought Leadership Webinar Series 4 - Agility Vs Flexibility	09/09/2022	English Language Company (ELC)
			NBO Centre for Leadership Assessment - NBO Class	31/10/2022 & 15/11/2022	Prime Minister's Department of Malaysia (PMD)
		Financial Related Matters	Unlocking the Potential of Digital Finance via Labuan IBFC's Digital Ecosystem	01/09/2022	Eco-Business
			Level 2: Financial Modelling Training	7/11/2022 - 9/11/2022 & 14/11/2022 - 15/11/2022	SID / Jabatan Perancangan Ekonomi dan Statistik PES
		Sustainability and Others	Bain Senior Executive Conversations 2022 Visionary Pragmatism. Redefining Full Potential with ESG.	27/06/2022	Bain & Company
			TNB Pathway 2050 (SP2050) Gallery Walk	16/08/2022	Tenaga Nasional Berhad (TNB)
			5th International Sustainable Energy Summit (ISES) 2022	29/08/2022 - 30/08/2022	Sustainable Energy Development Authority (SEDA)
			Khazanah Megatrends Forum	03/10/2022 - 04/10/2022	Khazanah Nasional
			PNB Knowledge Forum 2022 - Decarbonised Economy Accelerating the Net Zero Transition	09/11/2022	PNB
11.	Datuk Yasmin Mahmood	Corporate Governance (including audit, risk management, compliance and internal control)	Corporate Liability under Section 17A of MACCA	25/02/2022	MACC
			Audit Oversight Board's Conversation with Audit Committee	07/04/2022	Securities Commission Malaysia
			FIDE FORUM - ICDM: Board Risk Committee Dialogue	08/12/2022	FIDE
		Leadership, Legal and Business Management	ESG, Stakeholder Capitalism & Sustainable and Responsible	21/6/2022 - 22/6/2022	MIDF Berhad

				Investment (SRI), and Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) - The Role of Boards and Senior Management		
				Global Islamic Finance Forum 2022 - Strengthening Islamic finance's global leadership position.	05/10/2022 -06/10/2022	Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
			Financial Related Matters	The Financial Institutions Directors' Education (FIDE) Core Program Module B: Bank.	04/03/2022	FIDE
				Fundamentals and Application of the TFCD	01/12/2022	ICLIF
			Sustainability and Others	MIDF Green Conference 2022	09/3/2022	MIDF Berhad
<b>Explanation for departure</b>	:					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
<b>Measure</b>	:					
<b>Timeframe</b>	:					

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors, including those in the operating subsidiaries within the Group, adhere to the BCCE, Code of Business Conduct and Ethics (CBCE) and Board Charter, which provide guidance to recognise and deal with ethical issues and help foster a culture of honesty and accountability. Mechanisms to report unethical conduct are encapsulated in the UMW Group Whistleblowing Policy (WBP).</p> <p>The BCCE is formulated to enhance the standard of CG and corporate behaviour with a view to establishing a standard of ethical conduct for Directors based on acceptable beliefs and values, and to uphold the spirit of social responsibility and accountability in line with legislation, regulations and guidelines. The principles on which the BCCE relies upon are those that concern transparency, integrity, accountability and corporate social responsibility.</p> <p>The BCCE will be reviewed from time to time to incorporate new regulatory requirements/developments in the framework and practices.</p> <p>Directors declare at Board meetings their interests (direct or indirect) in proposals being considered by the Board. Where a Director is deemed interested, the Director will abstain from any deliberation and voting on the subject matter and will excuse himself from the meeting, if required. Declaration of the Director's interest in any proposal presented to the Board is reflected in the minutes of meetings.</p> <p>The CBCE incorporates the Group's stance with regard to integrity in conducting business. One of the objectives of the CBCE is to clearly state how UMW employees should conduct themselves in managing business affairs which include, among others, the confidentiality of information and dealings in securities. The CBCE also details and warns against undesired conduct such as conflict of interest, offering or receiving bribes, dishonest conduct, anti-competitive practices and sexual harassment. Employees are to be driven to continuously display integrity and trust when managing stakeholders, customers, suppliers, vendors and contractors.</p> <p>Unethical practices are not tolerated, and the Group is committed to behaving professionally, fairly and with integrity in all business dealings and relationships including under relevant laws of each jurisdiction where the Group operates, locally and abroad.</p> <p>The Board recognises that integrity is a manifestation of ethical leadership. The Board commits to instilling the highest ethical standards in every aspect of the Group's business, even in challenging market</p>

	<p>conditions. The Group takes a more proactive approach toward ensuring that its activities promote responsible behaviour, fairness, sustainability and cultural sensitivity.</p> <p>In 2022, the Integrity &amp; Governance Unit (IGU) continued to implement the initiatives under the 3-Year IGU Blueprint (2021-2023) towards “Sustainable Bribery and Corruption Free” organisation. UMW Corporation Sdn. Bhd. had successfully achieved the Anti-Bribery Management Systems (ABMS) ISO 37001 certification by SIRIM in October 2022.</p> <p>The ABMS is recommended by the MACC, which aimed to provide guidance in establishing, implementing, maintaining, reviewing, and improving an anti-bribery management system. The IGU has appointed the Integrity &amp; Governance Representative (<b>IGR</b>) to support the implementation of the ABMS programme. The IGR acts as the focal person for the overall support, guidance and coordination of ABMS and integrity activities within the respective department/division/Operating Companies.</p> <p>In managing the corruption risks, relevant policies and procedures are in place such as the UMW Group Anti-Bribery &amp; Corruption Policy (“ABCP”), the WBP, the Gift &amp; Entertainment Policy, the Procurement Guidelines and the Code of Business Conduct &amp; Ethics. In addition, the Corruption Risk Assessment (<b>CRA</b>) has been conducted at various departments and divisions within the UMW Group to mitigate the corruption risks.</p> <p>The DCE, CBCE, ABCP and WBP are available on the Company’s website at <a href="http://www.umw.com.my/web/guest/corporate-governance">www.umw.com.my/web/guest/corporate-governance</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In line with the Board's commitment to maintain the highest possible standard of professionalism, ethics and legal conduct in the Group's business activities, the revised UMW Group Whistleblowing Policy was approved by the Board on 12 October 2022. The Policy welcomes disclosures of suspected or potential wrongdoings that include mismanagement, malpractices, corrupt practices, fraud and abuse of power or breach of any laws and regulations by any member of the Board, the Management or employees.</p> <p>The objectives of the Policy are to:</p> <ol style="list-style-type: none"><li>1. Provide employees and business associates dealing with the UMW Group with proper procedures in disclosing cases of wrongdoing;</li><li>2. Manage disclosures of wrongdoing in an appropriate and timely manner;</li><li>3. Provide protection to the whistleblower from any detrimental action resulting from the disclosure of wrongdoing; and</li><li>4. Provide fair treatment to both the whistleblower and the alleged wrongdoer when disclosure of wrongdoing is made.</li></ol> <p>The Integrity &amp; Whistleblowing Committee (<b>IWBC</b>) is responsible for overseeing the implementation of the WBP in the UMW Group.</p> <p>The IWBC consists of majority of Independent Non-Executive Directors (<b>INED</b>) as follows:</p> <ol style="list-style-type: none"><li>1. Razalee Amin, INED - Chairperson;</li><li>2. Dr Veerinderjeet Singh, SID, INED.</li><li>3. Datin Paduka Kartini Hj Abdul Manaf, Non-Independent Non-Executive Directors (Non-INED); and</li><li>4. Dato' Azmi Mohd Ali, INED.</li></ol> <p>On 31 March 2022, Salwah Abdul Shukor resigned from the IWBC and was succeeded by Dato' Azmi Mohd Ali, INED, who was appointed as a member of the IWBC on 1 April 2022.</p> <p>A disclosure of wrongdoing may be made in writing to the Chairman of the IWBC via e-mail to <a href="mailto:wecare@umw.com.my">wecare@umw.com.my</a>. The Wecare channel is managed by two Wecare Handling Officer (WHO) who are the Head of Group Risk Management &amp; Integrity (GRMI) and the Head of IGU. Complaints received will be escalated to the IWBC for review, and where appropriate, for action to be taken by the Board, the PGCEO and/or the respective business units/divisions.</p> <p>From time to time, the IWBC shall report to the Board of its recommendations on the outcome of any investigations conducted. The</p>

	Board upon receiving the recommendations shall have the final decision on the matter raised. The WBP will be reviewed as and when required.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sustainability in UMW is governed by the Board of Directors, with oversight of all matters related to sustainability, including climate change and climate risk. The Board is supported by the Management Sustainability Committee (<b>MSC</b>), which is advised by subject matter expert, Dato' Seri Prof Dr Ir. Zaini Ujang, who sits on the Board of UMW.</p> <p>The RMSC is responsible for assisting the Board in risk management policies and strategies by providing oversight on matters relating to risks. The RMSC is expected to identify, assess and monitor key business risks, including articulating, implementing and reviewing UMW's internal control framework to safeguard shareholders' investments and UMW Group's assets.</p> <p>In addition, the RMSC assists the Board in fulfilling its responsibilities in risk management with regards to the economic, environmental and social aspects of the Group. The RMSC also supports the Board in sustainability oversight, which encompasses driving sustainability strategy and initiatives in the environmental, social and governance areas, as well as embedding sustainability best practices within the Group.</p> <p>Tasked with developing the Group's Sustainability Roadmap in 2021, the MSC also has the responsibility to review, implement, oversee and monitor the implementation of the Roadmap, ensuring a coherent and consistent sustainability approach within the Group. The MSC, who meets periodically and reports to the Board, also drives our sustainability strategy and direction, as well as managing climate action and mitigating climate risks.</p> <p>The MSC is chaired by the PGCEO and comprises the Group's senior management, supported by the Group Strategy Division as the Sustainability Secretariat/Unit. The Group Strategy Division is responsible for management of the Group's Sustainability Report and the effective implementation of the sustainability strategy and initiatives throughout the Group. The Group Strategy Division reports to the MSC on a periodic basis and is supported by the Group's Strategic Business Units (SBUs) and Corporate Divisions, who are responsible to implement the Sustainability Blueprint.</p> <p>In 2022, UMW further strengthened the Group's management of sustainability matters by embedding sustainability risk into the Group's Enterprise Risk Management (<b>ERM</b>). Further, UMW also improved its materiality matters through an in-depth assessment and included climate change issues to deepen its commitment to climate action. Going</p>



	forward, UMW will continue to step up its sustainability approach and climate action to ensure continuous value creation for the Company and its stakeholders.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>UMW's sustainability strategies, priorities and targets as well as performance against these targets are developed and broadly monitored against a 5-year Sustainability Roadmap after a careful review of outcomes from the materiality assessment exercise and engagements with key internal and external stakeholders.</p> <p>UMW also worked closely with shareholders such as PNB, Kumpulan Wang Persaraan (Diperbadankan) (KWAP) and Employee Provident Fund (EPF) as well as BURSA to manage climate-related risks and opportunities. Additionally, UMW collaborated with local education institutions and government agencies on carbon reduction by mangrove planting under UMW Green Shoots project.</p> <p>UMW's 4 Sustainability Pillars covers key areas involving environment, workforce, sustainable products and services, and sustainable local community. Initiatives within each priority area are driven by the Sustainability Drivers across the Group (involving all corporate divisions). The comprehensive description of UMW's stakeholder groups, engagements and targets as well the performance against these targets are as set out in UMW's standalone Sustainability Report which can be found on UMW's website at <a href="#">Sustainability Report - UMW Holdings</a> whilst the snapshot of UMW's sustainability performance/initiatives are provided on pages 84 and 85 of the IAR 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In order to ensure the Board is kept abreast on sustainability issues which are relevant to the UMW Group's business and operations, the Board and Management had attended various training programmes that is relating to Sustainability agenda, detailed are as provided in Practice 2.1 of this CG Report and on pages 112 and 116 of the IAR 2022.</p> <p>The RMSC and MSC have meetings periodically and provides updates to the Board regarding the progress of the Group's Sustainability strategy and direction, including managing climate action, and mitigating climate risks.</p> <p>UMW is accelerating the implementation of its Sustainability Roadmap as part of the CREST@UMW transformation strategy. We are on course to achieve carbon neutrality for our Scope 1 and 2 emissions using reduction and removal activities. We are intensifying our Scope 3 carbon management activities in 2023.</p> <p>The UMW Sustainability Roadmap represents our leadership commitment and action plan towards achieving Climate and Carbon Neutrality by 2050.</p> <p>To ensure the progress of our sustainability strategies, priorities, and meeting our targets, the RMSC and MSC are responsible for the following:</p> <p><b><u>RMSC</u></b></p> <ol style="list-style-type: none"><li>1) Assist the Board in reviewing and recommending UMW Group's risk management policies and strategies;</li><li>2) Identifying, assessing and monitoring key business risks;</li><li>3) Assist the Board in fulfilling its responsibilities with regard to risk management of the UMW Group; and</li><li>4) Assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives.</li></ol> <p><b><u>MSC</u></b></p> <ol style="list-style-type: none"><li>1) Developing the Group's Sustainability Roadmap;</li><li>2) Reviewing, implementing and overseeing the Group's Sustainability Roadmap; and</li><li>3) Monitoring the Group's Sustainability Roadmap to ensure a coherent and consistent sustainability approach across the Group.</li></ol> <p>The MSC is supported by the Group Strategy Division, which comprises the Sustainability Secretariat/Unit. The Sustainability Roadmap will be published in the Sustainability Report 2022 and all sustainability initiatives are shared on social media platforms via UMW's official accounts to communicate its ongoing Sustainability initiatives.</p>

	<p>As part of the Board and Directors Effectiveness Evaluation (“<b>BDEE</b>”) 2022 exercise, the Directors conducted a self-assessment of their skills matrix which included their experience in sustainability. From the said BDEE, the following areas of improvement have been identified and consequently, training sessions relating to sustainability will be arranged for the Directors to attend:</p> <ol style="list-style-type: none"> <li>1) Strengthen board oversight and the integration of sustainability;</li> <li>2) Consideration in the strategy and operations of companies strategies on economic;</li> <li>3) Environmental and social; and</li> <li>4) Sustainability risks and opportunities.</li> </ol> <p>During the year, the Board was updated on the several initiatives by the Management, which include:</p> <ol style="list-style-type: none"> <li>1. Installation of additional solar panels for the Bukit Raja Plant;</li> <li>2. The planting of 157,000 mangrove trees;</li> <li>3. Educating employees on sustainability at work; and</li> <li>4. Implementing energy and waste management.</li> </ol>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>CREST@UMW strategic transformation framework prioritises Sustainability as one of its core strategic pillars. The sustainability pillar in the CREST@UMW strategic transformation framework includes sustainability from a financial and environmental standpoint.</p> <p>The CREST@UMW sustainability pillar is embedded into the Group's performance as it incorporates financial position and ESG initiatives.</p> <p>The ESG perspective has been incorporated in the 2023 Balance Scorecard for the UMW Group/PGCEO, which was approved by the NRC on 30 January 2023. There are six (6) measures under the ESG perspective which carry a total weightage of 15% as follows:</p> <ol style="list-style-type: none"> <li>1. Environmental Products;</li> <li>2. Reforestation (UMW Green Shoots initiative);</li> <li>3. Wellbeing Programme;</li> <li>4. Accident Rate;</li> <li>5. Employee engagement index; and</li> <li>6. Compliance and adherence to relevant governance regulations, standards and promote best practices.</li> </ol>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: Adopted. The Sustainability Secretariat/Unit under Group Strategy Division is being led by the Group Strategy Division Director, Encik Zoelaney Abid.

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.1**

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Board Composition</u></p> <p>The NRC is responsible for formulating nomination, selection and succession policies for the Group. The policies and procedures for recruitment or appointment, including re-election/reappointment of Directors are set out in detail in the Board Charter. The NRC is guided by the Board Charter and its TOR in the nomination, selection and appointment process.</p> <p>The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC. For this, both merit and diversity are factors given due consideration when selecting Board members.</p> <p>The Board is mindful that for it to be effective, its composition must include the right group of people, hence, in its selection of Board candidates, the NRC/Board considers the mix of skills, competencies, experience, integrity, personal attributes and time commitment required to effectively discharge his/her role as a director. The Board acknowledges that in a competitive global environment where securing talents is a challenge, more attention is needed in managing human capital development.</p> <p>The NRC considers the Group's succession planning on a regular basis to ensure that changes to the Board are proactively planned and coordinated. The length of tenure of our Independent Directors is capped at nine (9) years.</p> <p>On 15 February 2022, the NRC reviewed the composition of the Board as Tan Sri Hasmah Abdullah has reached her nine (9) years tenure for 2022, thus, she retired on 2 September 2022.</p> <p>Salwah Abd Shukor and Mr Lim Tze Seong also have step down as Board members on 31 March 2022 and 30 June 2022, respectively.</p> <p>The NRC reviews annually the required mix of skills, experience and other qualities where appropriate, and core competencies each director should bring to the Board. The NRC also annually carry out the processes for evaluating the effectiveness of the Board and Board Committees and the performance and contribution of each individual directors, identify areas for improvement and developing and recommend to the Board action plans for improvement, where applicable.</p> <p>For this, the BDEE exercise was conducted the Board Skill Matrix and was analysed from the Directors Development Analysis ("DDA") to determine the skill gaps that may need to be filled. The evaluation</p>

	<p>process covered a variety of aspects associated with Board effectiveness, including among others, the composition of the Board and Board Committees, the content and running of Board and Committee meetings, Board working relationship, boardroom procedures as well as dissemination of information.</p> <p><u>Directors' Re-election</u></p> <p>In line with the MMLR of Bursa Securities and Article 126 of the Company's Constitution, one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company, provided always that all Directors shall retire from office at least once in three (3) years but shall be eligible for re-election at the AGM.</p> <p>The NRC makes recommendations to the Board for the re-election/reappointment of directors retiring by rotation, after taking into consideration the Director's tenure of service in accordance with the Board's 9-year policy, where the tenure of the Directors should not exceed a term limit of nine (9) years.</p> <p>In this respect, all the Directors of UMW have served the Board for less than nine (9) years as at 31 December 2021.</p> <p>The NRC had on 27 March 2023 deliberated on the eligibility of the Directors standing for re-election at the 41<sup>st</sup> AGM on 17 May 2023, which were based on their respective BDEE results and recommended to the Board, the re-election of the following Directors:</p> <ol style="list-style-type: none"> <li>1. Datin Paduka Kartini Hj Abdul Manaf: Article 126;</li> <li>2. Tan Sri Dato' Sri Hamad Kama Piah Che Othman: Articles 126 and 128; and</li> <li>3. Dr. Veerinderjeet Singh a/l Tejwant Singh: Articles 126 and 128.</li> </ol> <p>Whilst, pursuant to Article 112 of the Company's Constitution, the following Directors were appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the next AGM and shall be eligible for re-election:</p> <ol style="list-style-type: none"> <li>1. Shahin Farouque Jammal Ahmad;</li> <li>2. Mohd Shahazwan Mohd Harris; and</li> <li>3. Datuk (Dr.) Yasmin Mahmood.</li> </ol>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	



**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the year under review, the following directors have been appointed to the Board:</p> <ol style="list-style-type: none"> <li>1. Dato' Azmi Mohd Ali: 1 April 2022;</li> <li>2. Encik Shahin Farouque Jammal Ahmad: 1 July 2022;</li> <li>3. Mohd Shahazwan Mohd Harris: 1 July 2022; and</li> <li>4. Datuk (Dr.) Yasmin Mahmood: 12 October 2022.</li> </ol> <p>With the appointment of the above directors during the FY2022, the Board currently consists of eleven (11) members, comprising four (4) Non-INEDs, six (6) INEDs and one (1) Executive Director, who serves as the PGCEO. The Board is led by a Non-INED as its Chairman. Therefore, the INEDs represent a majority of 54% of the total Board members.</p> <p>All six (6) INEDs satisfy the criteria of an Independent Director as defined under MMLR of Bursa Securities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Board adopted the 9-year policy for the tenure of all Directors, as stated in Para 7.2 of the UMW Board Charter which provides that:  "The tenure of a director shall not exceed the full term of nine (9) years."  At present, all of the INEDs have served the Board for less than nine (9) years. The Director's years of service as at 31 March 2023 are set out in the profiles of the Board of Directors on pages 88 to 98 of the IAR 2022.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Through the NRC, the Board oversees a clear and orderly succession plan for the PGCEO, the Group's Senior Management, including the Group Secretary. The NRC is responsible for formulating nomination, selection and succession policies for the Group. The establishment of KPIs of senior executives is also under the purview of the NRC.</p> <p>The Board acknowledges that in a competitive global environment where securing talents is a challenge, more attention is needed in managing human capital development. Sudden loss of key personnel without an immediate suitable replacement may disrupt the operations of the Group and hinder its future growth.</p> <p>In discharging its responsibility on succession planning, the NRC receives succession management updates from GHCD in accordance with the succession management framework and after undergoing a comprehensive review and assessment by GTC. The NRC reviews the successors' assessment results, monitors the progress of actions taken, including the development programme for the readiness of identified candidates to assume critical positions within the Group.</p> <p>The UMW Group also has in place a formal and transparent procedure for the appointment of Directors to the Board. The policies and procedures for recruitment or appointment, including re-election/reappointment of Directors, are set out in detail in the Board Charter. The NRC is guided by the Board Charter and its TOR in the nomination, selection and appointment process.</p> <p>The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC. For this, both merit and diversity are factors given due consideration when selecting board members.</p> <p>In considering candidates as potential Directors, the NRC takes into account the following key criteria:</p> <ol style="list-style-type: none"><li>1. Skills, knowledge, expertise and experience;</li><li>2. Time commitment, character, professionalism and integrity;</li><li>3. Perceived ability to work cohesively with other members of the Board;</li><li>4. Specialist knowledge or technical skills in line with the Group's strategy;</li><li>5. Diversity in age, gender and ethnicity and experience background; and</li><li>6. Number of Directorships in companies outside the Group.</li></ol>

The Group does not practice gender, ethnicity or age discrimination, neither at the Board level nor at the management level.

The selection process for Directors to be appointed to the Board is as follows:

1. Potential candidates are referred to the NRC for consideration by the NRC and subsequently for recommendation to the Board;
2. The NRC will determine appropriate means for seeking additional candidates, including the engagement of outside consultants to assist the NRC in identifying candidates;
3. Shareholders who wish to suggest candidates are to submit their suggestions in writing to the Chairman of the Board, the NRC, the PGCEO or the Joint Group Secretary providing relevant information about the candidates;
4. The NRC shall decide on the appropriate means for the review and approval of individual candidates. In the event of a vacancy, the members of the NRC will initiate efforts to identify appropriate candidates; and
5. In formulating its recommendation, the NRC will consider not only the findings and conclusion of its evaluation process, but also the current composition of the Board, the attributes and qualifications that should be represented at the Board and the recommendations of the principles and practices of MCCG and other regulatory requirements or any amendments thereof.

All newly appointed Directors will undergo a comprehensive induction programme with the objective of providing an overview of the Company's vision and mission, its philosophy, corporate culture and nature of business, corporate strategy, current issues and the long-term targets of the Group. Specific briefings on operations and plant visits are also conducted. A familiarisation programme on the Group's businesses and CG practices is arranged for new Directors upon their appointment to facilitate the effective discharge of their duties.

The responsibility of ensuring that procedures relating to the appointment of new Directors are properly executed rests with the Joint Group Secretary. The Joint Group Secretary ensures that all appointments are properly made, that all necessary information is obtained from the Directors, both for the Company's own records and for purposes of meeting statutory and regulatory requirements.

The Board recognises gender diversity as one (1) of the way to drive and enhance board effectiveness and this is reflected in the TOR of NRC as part of the criteria in identifying and recommending suitable candidates for appointment to the Board. The Board has in place a Board Diversity Policy as provided under Practice 5.10 of this report.

The diversity in race/ethnicity, age and gender of the existing Board as at 31 December 2022 is as follows:

	Race/Ethnicity			Age Group			Gender	
	Malay	Chinese	Sikh	51-55	56-60	>60	Male	Female
<b>No. of Directors</b>	10	0	1	2	2	5	8	3

Profiles of Board members are provided on pages 88 to 98 of the IAR 2022.

In ensuring that all candidates appointed to other senior management

	<p>positions are of sufficient calibre, the NRC considers at length the suitability of shortlisted candidates based on their profiles, professional achievements, and personality assessments. For the renewal of service contracts for key management personnel, the NRC considers their performance, contributions, achievements, and deliverables for the past years. At the same time, the NRC considers its remuneration packages when finalising the terms and conditions its service contracts.</p> <p>The diversity in race/ethnicity, nationality, age and gender of the MC members as at 31 December 2022 is as follows:</p> <table border="1" data-bbox="544 528 1401 656"> <thead> <tr> <th colspan="3">Race/Ethnicity</th> <th colspan="3">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>41-50</th> <th>51-55</th> <th>56-60</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>0</td> <td>1</td> <td>1</td> <td>2</td> <td>4</td> <td>6</td> <td>1</td> </tr> </tbody> </table> <p>Profiles of MC members are provided on pages 100 to 102 of the IAR 2022.</p>	Race/Ethnicity			Age Group			Gender		Malay	Chinese	Indian	41-50	51-55	56-60	Male	Female	6	0	1	1	2	4	6	1
Race/Ethnicity			Age Group			Gender																			
Malay	Chinese	Indian	41-50	51-55	56-60	Male	Female																		
6	0	1	1	2	4	6	1																		
<p><b>Explanation for departure</b> :</p>																									
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																									
<p><b>Measure</b> :</p>																									
<p><b>Timeframe</b> :</p>																									

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.6**

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has in place a formal and transparent procedure for the appointment of Directors to the Board via the NRC. The policies and procedures for recruitment or appointment, including re-election/reappointment of Directors are set out in detail in the Board Charter.</p> <p>The NRC, which comprises exclusively of NEDs, the majority being independent, is empowered to identify and recommend to the Board, nominees qualified to serve on the Board (including the PGCEO) and Board Committees, and the Group's key Management personnel, including the Joint Group Secretary.</p> <p>Nominations may come from a wide variety of sources, including from the Directors' pool, members of Board of UMW Holdings Berhad, senior employees of the Group, shareholders, industry associations, recruiting firms such as the Institute of Corporate Directors Malaysia, and others. This is to facilitate the NRC in identifying the most suitable and qualified candidate, with appropriate diversity in terms of ethnicity, age and gender, to complement and further strengthen the current Board.</p> <p>Interested parties must disclose their interests and must abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.</p> <p>The NRC deliberated on the profiles of several new candidates and considered the mix of skills, backgrounds, experiences, personality, time commitments, as well as character traits i.e. Integrity and Competency.</p> <p>The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC.</p> <p>In compliance with Paragraph 15.06 of the MMLR of Bursa Securities, the shortlisted candidates for UMW must not hold directorships of more than five (5) public listed companies.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		



**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.7**

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The profiles of the Board are available on the IAR and the Group's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The information for the Directors standing for re-election as well as the reasons from the Board to support the re-election of directors have been disclosed in the Notes to the Notice of the 40<sup>th</sup> AGM dated 26 April 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by the current INED, Dato' Azmi Mohd Ali. NRC comprises five (5) members all of whom are NEDs and the majority of whom are INED as follows:</p> <ol style="list-style-type: none"> <li>1. Dato' Azmi Mohd Ali, INED, Chairperson;</li> <li>2. Dato' Eshah Meor Suleiman, INED;</li> <li>3. Datin Paduka Kartini Hj Abdul Manaf, Non-INED; and</li> <li>4. Dato' Seri Prof. Dr. Ir. Zaini Ujang, INED.</li> <li>5. Shahin Farouque Jammal Ahmad, Non-INED</li> </ol> <p>The membership composition and the responsibilities of the NRC are set out in its TOR contained in the Board Charter, which is available on the Company's website at <a href="http://www.umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	As at 31 December 2022, the Company had three (3) women Directors on the Board, which provides about 27% women representation.	
<b>Explanation for departure</b>	:	The review of the appointment of additional women directors is ongoing. The process for review and selection are aligned with UMW's requirements for skills diversity. The present Board composition is cognisant of the diversity requirements and the measures to meet the 30% women director targets.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The NRC reviews and recommends the criteria for appointment of Directors based on the skills, composition and requirements of the UMW operations and competitiveness.	
<b>Timeframe</b>	:	2 years	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises gender diversity as one of the ways to drive and enhance board effectiveness and this is reflected in the Board Charter as follows:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;"><b>BOARD DIVERSITY POLICY</b></p> <p>UMW’s Board Diversity Policy is to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender can provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. Through this, the Board believes that a truly diverse and inclusive board will ensure that UMW retains its competitive advantage.</p> <p>In this regard, the Nomination &amp; Remuneration Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. In reviewing the composition of the Board, the Nomination &amp; Remuneration Committee will consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board.</p> </div> <p>However, appointments to the Board are ultimately made based on merit as the overriding principle in order to achieve a high-performance board. Other competencies such as individual skills, background, industry knowledge and experience, amongst other factors, will be taken into consideration.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The annual board effectiveness evaluation is an essential process to determine the effectiveness of the Board, its Committees and each individual Director as it allows the Board as a whole to address issues on leadership, core competencies, skills, attributes, a delegation of duties and responsibilities, and reviews of existing processes within the Board.</p> <p>The Board has implemented a process to be carried out by the NRC for assessing the effectiveness of the Board as a whole as well as of each Director, including the Chairman.</p> <p>In 2022, to ensure the highest level of objectivity and impartiality, GSCG engaged the services of an external facilitator to conduct the BDEE exercise. The Institute of Corporate Directors Malaysia (<b>ICDM</b>) was entrusted with overseeing the BDEE through an online questionnaire/assessment that incorporated the latest corporate governance framework, best practices, and industry norms pursuant to their Engagement Letter dated 30 December 2022.</p> <p>The evaluation process encompassed a broad range of factors relevant to Board effectiveness, spanning Board Leadership, Board and Committee composition, meeting content and management, Board working relationships, boardroom protocols, and information dissemination. A comprehensive set of ten key effectiveness criteria was employed to evaluate the Board's overall effectiveness, individual Director competency, and technical knowledge. Additionally, Independent Directors underwent an assessment to gauge their level of independence, with the aim of ensuring a fair and impartial decision-making process at the Board.</p> <p>The BDEE was carried out via an ICDM Online Approach, as an assessment framework that provides a strategic review of the board. There are three (3) levels to focus which are (i) Board of Directors, (ii) Board Committees and (iii) Individual Directors.</p> <p>Evaluation components covered the ten (10) key parameters (as indicated above) of board oversight, including Board &amp; Management ratings comparison &amp; analysis, the performance in ESG areas, in line with the application of Practice 4.4 of the MCCG as well as considerations on board refreshment considerations based on Practice 5.1 of the MCCG, the performance of individual board committees, in particular on additional responsibilities &amp; committee composition and</p>

individual director performance & peer assessment based on ICDM's Director Competency Framework\*, including the identification of development & training needs (optional), in particular in the areas of sustainability/ESG.

ICDM conducted surveys and peer reviews via online questionnaires with eight (8) board directors, as the remaining three (3) only joined after June 2022.

The questionnaires focused on evaluating the board on an overall basis and the directors' individual competencies as follows:

1. Overall Board Effectiveness: Assessing 10 key effectiveness parameters for the Board (Directors):
  - Board Leadership;
  - Board Composition, Skills & Development;
  - Board Committees;
  - Board Governance Oversight & Processes;
  - Board Agenda, Minutes & Information;
  - Board Dynamics & Culture;
  - Board & Management Relationship;
  - Board & Stakeholder Engagement;
  - Board Sustainability Matters (Based on The Latest MCCG 2021 Enhancements); and
  - Board's Pandemic/Crisis Management Response.
2. Individual Board Competency: Self vs. Peer (fellow directors) assessment of each director's board competencies; and
3. Technical Knowledge: Self-assessment of technical knowledge

As a culmination to this exercise, GSCG prepared a report on the performance of the Board, the Board Committees, and individual Directors. Across all ten (10) scores, the lowest average was for Board Pandemic/Crisis Response Management and highest was for Board & Stakeholder Engagement.

The key findings of BDEE results were highlighted as follows:

1. The Board works cohesively as a team, with mutual respect, open and honest communication which encourages independence of thought and prompts cognitive diversity;
2. The Board exhibits a keen awareness of the long-term strategic requirements and objectives of the organisation, and is fully cognisant of the risk appetite, traditional operating environment, and the ongoing challenges posed by the constantly evolving global economy. The issue of sustainability looms large in the Board's considerations, reflecting its deep commitment to responsible and sustainable business practices; and
3. The Board is committed to promoting ethical business conduct and maintaining a healthy organisational culture that encourages accountability, integrity, transparency and fairness; and is strong enough to make decisions in the face of extraneous pressure

The Board may consider the following recommendations for areas of improvement:

1. Enhance and strengthen the role of the SID to cater for the unique requirements of Company's Board, as well as to reflect the new roles that have come under the purview of the SID. The SID enhanced

	<p>roles should be updated and streamlined in the Board charter accordingly.</p> <ol style="list-style-type: none"> <li>2. A Board succession plan should be prioritised and be based on a Board skills matrix. A company's board skills matrix should be enhanced to include identifying future talent and succession required at the board.</li> <li>3. To consider reviewing TOR on oversight of sustainability matters where applicable, in light of the new 2022 Bursa Malaysia Enhanced Reporting Framework Requirements.</li> </ol> <p>The findings and results of the overall evaluation of the BDEE were summarised and presented to the NRC. The Chairperson of the NRC subsequently met with the Group Chairman to provide key insights on the overall performance of the Board, the Board Committees and individual Directors, and to recommend areas of continuous improvement for discussion.</p> <p>The NRC and the Board have taken note of the findings and results and would address them in an appropriate manner.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Presently, the Group employs formal procedures to determine the remuneration of Directors and Senior Management and aims to set the remuneration at levels which are sufficient to attract and retain persons of calibre to guide the Group successfully, taking into consideration factors such as their fiduciary obligations and responsibilities, time commitment, and the Group's performance and market conditions.</p> <p>On 4 March 2022, the Board approved the Remuneration Policy and Procedures for Directors and Senior Management. This Remuneration Policy and Procedures is the guiding document for the Board and the NRC to determine the remuneration of Directors and Senior Management, taking into consideration all relevant factors including demands, function, workload, complexities of the Company's business and responsibilities involved, performance of the Company as well as skills and experience required but without paying more than is necessary to achieve this goal.</p> <p>The NRC assists the Board in developing and determining the remuneration package for the Board, the Board Committees, the PGCEO and members of the Senior Management of the Group. The remuneration of ED is structured so as to link rewards to corporate and individual performance. The remuneration includes salary and emoluments, bonuses and benefits-in-kind. The level of remuneration for ED is benchmarked against compensation levels for similar positions among other Malaysian public-listed companies within the same industry. The NRC may appoint external advisers or consultants to advise on specific areas, where necessary. The Board as a whole determines the remuneration of Directors for shareholders' approval.</p> <p>The Group is also cognisant of the compensation philosophy advocated by the Putrajaya Committee on GLC High Performance, which suggests that GLC boards should regularly review the compensation of their Chairman and Directors and align them to the market and appropriate peer group.</p> <p>The fees of the NEDs and any benefits payable to Directors shall from time to time be determined by an ordinary resolution at a general meeting of the Company in accordance with Section 230 of CA 2016.</p> <p>In accordance with the Board Charter of the Company, a review of NEDs' remuneration should be undertaken once in every two (2) years. The last</p>



	<p>review was carried out in 2022 at the 40<sup>th</sup> AGM of the Company, effective from 27 May 2022 until the next AGM in 2024.</p> <p>In determining the estimated amount of benefits payable (excluding Directors' fees) to the NEDs, including the Non-Executive Chairman, the Board considered various factors including the number of scheduled meetings for the Board, Board of subsidiaries and Board Committees as well as the number of NEDs involved in these meetings.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has in place the NRC which comprises a majority of INEDs.</p> <p>The NRC is responsible for reviewing and recommending to the Board, Directors' remuneration and in the case of NEDs, the remuneration structure reflects the level of responsibilities undertaken and contributions made by them. In determining the estimated amount of benefits payable (excluding Directors' fees) to the NEDs, including the Non-Independent Non-Executive Chairman, the Board considered various factors, including the number of scheduled meetings for the Board, Board of subsidiaries and Board Committees as well as the number of NEDs involved in these meetings.</p> <p>The remuneration of EDs is structured so as to link rewards to corporate and individual performance. The remuneration includes salary and emoluments, bonus and benefits-in-kind. The level of remuneration for ED is benchmarked against compensation levels for similar positions among other Malaysian public-listed companies within the same industry.</p> <p>The NRC's TOR is included in the Board Charter and is available at the Company's website at <a href="http://www.umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p> <p>As guided by the MCCG, a fair remuneration is critical to attract, retain and motivate Directors. The remuneration package should take into account the complexity of the Company's business and the individual's level of expertise, commitment and responsibilities. In addition, the remuneration should also be aligned with the business strategy and long-term objectives of the Company.</p> <p>UMW is also cognisant of the compensation philosophy advocated in Bursa Malaysia Berhad's CG Guide issued on 14 December 2017 (subsequent to the 4<sup>th</sup> Edition CG Guide on 15 December 2021), which suggests that a review of the fees for NEDs should take into account fee levels and trends for similar positions in the market and the time commitment required from the Director (estimated number of days per year). Such packages should take into consideration any additional responsibilities undertaken, such as a Director acting as Chairman of the Board, Chairman of a Board Committee or as Senior INED. A formal review of Directors' remuneration is undertaken once every two (2) years in accordance with the Board Charter.</p> <p>A review on the Directors' fees and benefits for the NEDs was conducted in 2022, taking into cognisance the complexity of the Company's businesses and the focus areas have expanded considerably requiring the NEDs to take greater care, diligence and caution in the exercise of their duties.</p>

In reviewing the Directors' remuneration, a comprehensive benchmarking exercise against several comparable public listed companies was carried out.

The fees was deliberated by the NRC on 15 February 2022 and thereafter approved by the Board on 30 March 2022. The Directors' fees and meeting allowances for NEDs which was approved by the shareholders at the 40<sup>th</sup> Annual General Meeting held on 26 May 2022, with effect from 27 May 2022 until the next AGM of the Company.

Pursuant to Section 230(1) of CA 2016, any fees and benefits payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Accordingly, shareholders' approval is sought at the AGM for the payment of Directors' fees to the NEDs remain as follows:

Board of the Company:

	<b>Monthly (RM)</b>
Chairman	<b>28,900</b>
Member	<b>14,500</b>

Board of subsidiaries:

	<b>Monthly (RM)</b>
Chairman	<b>10,500</b>
Member	<b>8,400</b>

The benefits payable to NEDs, comprising meeting allowance, benefits and other emoluments, are as follows:

Meeting Allowance

As part of the review exercise on NEDs' remuneration, the Board is also proposing for an increase in meeting allowance (per meeting) as follows:

<b>Description</b>	<b>Chairman</b>	<b>Member</b>
Board of the Company	<b>2,400</b>	<b>1,600</b>
Board Committees of the Company	<b>2,100</b>	<b>1,600</b>
Board of subsidiaries/ Board Committees of Subsidiaries	<b>2,100</b>	<b>1,600</b>

Other benefits and emoluments

Customary benefits and other emoluments payable to the NEDs comprising the following:

<b>Non-Executive Chairman</b>	<b>Non-Executive Directors</b>
<ul style="list-style-type: none"> <li>• Leave passage;</li> <li>• Medical and insurance coverage;</li> <li>• Car, petrol/toll charges and driver;</li> <li>• Club memberships;</li> <li>• Telecommunication/electronic devices;</li> <li>• Per diem allowance;</li> <li>• Security services;</li> </ul>	<ul style="list-style-type: none"> <li>• Medical and insurance coverage;</li> <li>• Car and petrol;</li> <li>• Electronic devices;</li> <li>• Per diem allowance;</li> <li>• Claimable benefits; and</li> <li>• Others</li> </ul>

	<ul style="list-style-type: none"> <li>• Claimable benefits; and</li> <li>• Others</li> </ul>	
<b>Explanation for departure</b> :	<p>Payment of fees and benefits will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred.</p> <p>The estimated amount of benefits payable to NEDs for the period from 18 May 2023 until the next AGM of the Company remains unchanged at up to RM1,980,000. In determining the estimated amount of benefits payable, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries, as well as the number of NEDs involved in these meetings.</p> <p>The Board is of the view that it is equitable and fair for the NEDs to be paid such payment upon them discharging their responsibilities and rendering their services to the Company and its subsidiaries.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with best practices, the disclosure of the Directors' remuneration on a named basis has been made in the Audited Financial Statements since the financial year ended 31 December 2016.</p> <p>The remuneration received by each of the NEDs and the PGCEO in 2022 is set out in the table below.</p> <p>Notes:</p> <ul style="list-style-type: none"> <li>• <i>Directors' fees include amounts received from the Company and its subsidiaries.</i></li> <li>• <i>Other emoluments include meeting allowance and per diem allowance received from the Company and its subsidiaries.</i></li> <li>• <i>Benefits-in-kind for all NEDs include customary benefits and other emoluments payable to NEDs.</i></li> </ul>
<b>Explanation for departure</b>	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Directorate	Company ('000)						Group ('000)					
			Salary & emoluments	Directors' Fee	Benefits-in-kind	Other emoluments**	Defined contribution Plan	Total	Salary & emoluments	Directors' Fee	Benefits-in-kind	Other emoluments**	Defined contribution plan	Total
1	Tan Sri Dato' Sri Hamad Kama Piah Che Othman	Non-Executive Non-Independent Director	-	340	161	43	-	544	-	360	161	82	-	603
2	Dato' Ahmad Fuaad Mohd Kenali	Executive Director	-	-	-	-	-	-	2,430	-	125	13	390	2,958
3	Tan Sri Hasmah Abdullah	Independent Director	-	113	110	96	-	319	-	113	110	96	-	319
4	Dato' Eshah Meor Sulaiman	Independent Director	-	170	21	59	-	250	-	170	21	59	-	250
5	Datin Paduka Kartini Hj Abdul Manaf	Non-Executive Non-Independent Director	-	170	21	54	-	245	-	170	21	54	-	245
6	Dr Veerinderjeet Tejwant Singh	Independent Director	-	170	15	49	-	234	-	170	15	49	-	234
7	Salwah Abdul Shukor	Non-Executive Non-Independent Director	-	41	119	39	-	199	-	41	119	39	-	199
8	Lim Tze Seong*	Non-Executive Non-	-	83	127	36	-	246	-	83	127	36	-	246

		Independent Director												
9	Razalee Amin	Independent Director	-	170	34	47	-	251	-	170	34	47	-	251
10	Dato' Seri Prof. Dr. Ir. Zaini Ujang	Independent Director	-	170	21	47	-	238	-	170	21	47	-	238
11	Dato' Azmi Mohd Ali	Independent Non-Executive Director	-	129	10	31	-	170	-	129	10	31	-	170
12	Shahin Farouque Jammal Ahmad ^	Non-Independent Non Executive Director	-	87	-	11	-	98	-	87	-	11	-	98
13	Mohd Shahazwan Mohd Harris *	Non-Independent Non-Executive Director	-	87	5	16	-	108	-	87	5	16	-	108
14	Datuk (Dr.) Yasmin Mahmood	Independent Non-Executive Director	-	38	-	10	-	48	-	38	-	10	-	48

^ Director's fee was paid to Permodalan Nasional Berhad ("PNB")

\* 50% of the director's fee was paid to Employee Provident Fund ("EPF")

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.2**

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Not applicable – adopted Step Up 8.3	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board ensures that the remuneration of the Senior Management member commensurate with the performance of the Company, with due consideration to attract, retain and motivate them.

TOP FIVE SENIOR MANAGEMENT'S REMUNERATION (EXCLUDING PGCEO)						
No	Name	Position	Company ('000)			
			Salary & emoluments*	Defined contribution plan	Benefits-in-kind	Total
1	Datuk Ravindran Kurusamy	President, UMW Toyota Motor Sdn Bhd	1,442	231	41	1,714
2	Megat Shahrul Azmir Nordin	President, Equipment Division	1,222	197	123	1,542
3	Dato' Abdul Rashid Musa	Chief Mobility and Innovation Officer and President of Aerospace	1,117	178	59	1,354
4	Zailani Ali	Group Chief Human Resources Officer	1,014	162	56	1,232
5	Farnida Ngah	Group Chief Financial Officer	886	142	91	1,119

Note:

\*Salary & emoluments comprise short-term benefits, e.g., salary, bonus, social security costs, provision of unutilised leave, allowance, contract gratuity and compensated leave as required to be disclosed under MFRS 124: Related party disclosure.

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC comprises three (3) NEDs, all of whom are INEDs.</p> <p>The AC is chaired by Dr Veerinderjeet Singh, who has extensive tax experience from having been a tax partner in international accounting firms and having worked with the Inland Revenue Department of Malaysia. He has been involved in a wide range of tax matters affecting cross-border investments, corporate restructuring, financial institutions, multinational entities, listed entities, and government and quasi-government entities and projects. He is the President of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants and a Member of the Chartered Tax Institute of Malaysia. He is also a Member of Financial Reporting Foundation, Malaysia.</p> <p>Dr Veerinderjeet Singh was appointed as the member of AC on 15 June 2017 and was subsequently redesignated as the Chairman of AC on 1 September 2019. He is not the Chairman of the Board.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has always recognised the need to uphold high level of independence and objectivity in audit process. None of the members of the Board were former key audit partners and no such person is appointed as a member of the AC.</p> <p>The requirements as to "Any former key audit partner must have observed a cooling-off period of at least three (3) years before one (1) is eligible for appointment as AC member" in Practice 9.2 of the MCCG 2021 were reflected accordingly in the TOR of the AC and the Board Charter, whereby the cooling-off period of at least two (2) years was revised to five (5) years upon the Board's approval at its meeting held in November 2021, to ensure that the objectivity, independence and effectiveness of the external auditors are maintained.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, reappointment or termination of the external auditor. The AC's TOR specifies that its responsibilities include review on the nomination and appointment, reappointment of external auditors, audit fee, resignation or dismissal of external auditors, and the scope and nature of the audit plan.</p> <p>The AC had on 21 February 2023, reviewed the results of the External Auditors' Performance and Independence Evaluation, which was carried out for the financial year ended 31 December 2022, to evaluate the suitability, effectiveness and independence of the Company's external auditors in line with Practice 9.3 of the MCCG.</p> <p>The annual evaluation of external auditors provides the AC with a disciplined approach for maintaining effective oversight of the external auditors' performance, covering amongst others, the adequacy of the audit team, degree of independence, performance level and audit scope.</p> <p>Based on the evaluation conducted, the AC is satisfied with the performance, technical competencies and audit independence of EY. The AC is also satisfied with the level of calibre and professionalism demonstrated by EY, quality of processes, selection of audit team (including the lead engagement partner), adequacy of audit scope and planning, and audit communications and engagements with the AC.</p> <p>Having evaluated the results of assessment of the external auditors, the Board had on 30 March 2023, concurred with the AC's recommendation for the reappointment of EY as the external auditors of the Company for the financial year ending 31 December 2022, to be sought at the forthcoming 41<sup>st</sup> AGM.</p> <p>During the year under review, the AC had two (2) private sessions with the external auditors in March and November without the presence of management to give opportunity to raise any matter or findings they considered were important to their areas of responsibility for the AC's attention. These private sessions helped to reinforce the independence of the external auditors from the management of the Company by providing a platform to the AC members to make enquiries on specific issues affecting the Group and for external auditors to highlight any areas of concern for the attention of the AC in a timely manner.</p> <p>As part of the AC's efforts to ensure the accuracy of the quarterly financial statements and their compliance with the applicable Financial Reporting Standards, EY was engaged to conduct a limited review on the Company's quarterly financial statements for the financial year under</p>

	<p>review, in accordance with the International Standard on Review Engagement 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.</p> <p>In addition, EY had also provided written assurance to the AC that they were and had been independent throughout the audit engagement for 2022, in accordance with the terms of all relevant professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the MIA.</p> <p>The Group conforms to the latest requirements of the MIA in ensuring that the Engagement Partner of the external auditor is subject to a seven-year rotation with a five-year cooling-off period.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The AC members comprise entirely of INEDs as follows -</p> <ol style="list-style-type: none"><li>1. Dr Veerinderjeet Singh, Chairman;</li><li>2. Razalee Amin;</li><li>3. Dato' Eshah Meor Suleiman; and</li><li>4. Datuk (Dr.) Yasmin Mahmood.</li></ol> <p>On 2 September 2022, Tan Sri Hasmah Abdullah retired from the AC and was succeeded by Dato' Eshah Meor Suleiman and Datuk (Dr.) Yasmin Mahmood, who were appointed as AC members on 12 October 2022.</p> <p>The composition of the AC and the qualifications of its members comply with Paragraph 15.09 of MMLR of Bursa Securities and are reflected in the AC's TOR contained in the Board Charter, which is available on the Company's website at <a href="http://umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p>

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.5**

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Collectively, the AC members are qualified individuals having the required level of expertise to discharge the AC's functions and duties. The AC financial literacy and understanding of the financial reporting process have provided thorough deliberation in upholding the integrity of the Group's financial reporting and financial statements.</p> <p>The AC is chaired by Dr. Veerinderjeet Singh, who has extensive tax experience from having been a tax partner in international accounting firms and having worked with the Inland Revenue Department of Malaysia. He has been involved in a wide range of tax matters affecting cross-border investments, corporate restructuring, financial institutions, multinational entities, listed entities, and government and quasi-government entities and projects. He is the President of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants and a Member of the Chartered Tax Institute of Malaysia. He is also a Member of the Financial Reporting Foundation, Malaysia.</p> <p>Razalee Amin is a Member of the Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants and a Member of the Financial Planning Association of Malaysia. He is a licensed auditor and approved liquidator, who has more than 43 years of experience in various management positions and directorship in public listed companies with areas of expertise in audit, accounting recovery, finance, banking and investment acquisition.</p> <p>Dato' Eshah Meor Suleiman has working experience in economics and held various key positions in the Ministry of Finance (MOF) while Datuk (Dr.) Yasmin Mahmood has served in the Technology industry for more than 31 years, both in the private and public sectors.</p> <p>Details of the summary of work performed by the AC are provided in the AC Report on pages 130 to 135 of the IAR 2022.</p> <p>During the financial year under review, AC members attended various conferences, seminars and training programmes to keep themselves abreast of new developments pertaining to new financial reporting standards, legislation, regulations, current commercial issues and risks in order to effectively discharge their duties as the AC members.</p> <p>The summary of relevant programmes attended by the AC members in 2022 is provided in Practice 2.1 of this CG Report.</p>



<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board affirms its commitment and responsibility for the Group's risk management and internal control systems as well as reviewing the adequacy, effectiveness and integrity of the systems. These systems cover not only financial controls but also strategic, organisational, operational, regulatory and compliance controls.</p> <p>The Group has Risk Management &amp; Internal Control Systems in place for managing risks and internal controls affecting its business operations. The maintenance of the Risk Management &amp; Internal Control Systems is undertaken by the Management. Regular reports on risks identified and actions taken to mitigate and/or minimise such risks and gaps in the internal control systems, if any, are presented to the Management Risk Committee (<b>MRC</b>), the Management Audit Meeting (<b>MAM</b>), the Risk Management &amp; Sustainability Committee (<b>RMSC</b>), the Audit Committee (<b>AC</b>) and ultimately to the Board.</p> <p>The Group's risk management and internal control systems are designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of the Group's business objectives, and to provide information for accurate reporting and ensure compliances with regulatory and statutory requirements.</p> <p>The key features of these systems are the three (3) lines of defence with established and clear functional responsibilities and accountabilities for the management of risks and internal controls as follows:</p> <ol style="list-style-type: none"><li>1. The First Line role relates to the process owners at the operational and functional level;</li><li>2. The Second Line role relates to compliance and risk management functions; and</li><li>3. The Third Line relates to the internal audit function that evaluates the adequacy and effectiveness of the First and Second Lines and reports the same to the Board and AC.</li></ol> <p>The Group has established an Enterprise Risk Management (<b>ERM</b>) framework to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group's commitment to delivering sustainable value, the ERM framework aims to provide an integrated and organised approach Group-wide.</p> <p>It outlines the ERM methodology which is in line with the Principles and Guidelines of ISO 31000:2018 Risk Management, mainly promoting the risk ownership and continuous monitoring of key risks identified.</p> <p>Details on the risk management and internal control systems are provided in the SORMIC on pages 136 to 142 of the IAR 2022.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The oversight role of risk management is carried out by the RMSC and the Board. The mandate and commitment from the RMSC and the Board are the key drivers to the effective implementation of the ERM programmes. The RMSC and the Board set the strategic direction for risk roles, responsibilities, and risk reporting structures. The periodic reporting to both the RMSC and the Board on risk management activities undertaken by the Management via the MRC, keeps the RMSC and the Board apprised and advised of all aspects of the ERM, and significant individual risks and risk trends.</p> <p>The process for the identification, evaluation, monitoring and managing significant risks that may materially affect the Group's business objectives has been in place and regularly appraised by the Board via the RMSC.</p> <p>The Group's ERM Framework has a structured process for SBUs and Corporate Divisions to identify, analyse, evaluate, treat, communicate and monitor their risks. The risks are identified based on the Group's goals and objectives and assessed against the Group's risk parameters. Risks are reassessed and monitored on an ongoing basis to ensure appropriate actions are taken to manage such risks. A risk escalation procedure for significant changes to existing risks and emerging risks has also been established to escalate the risks for the Management's action.</p> <p>The Board, in discharging its duties, has established several committees, namely the AC, NRC, IC, RMSC, IWBC and the Employees' Share Option Scheme Committee. The Board Committees operate within clearly defined TOR, procedures and authority delegated and approved by the Board, which are reviewed from time to time to ensure that they are relevant and up to date.</p> <p>The Group has a well-defined organisation structure that is aligned with the business requirements with a clearly defined delegation of responsibilities to the Board, the Board Committees and the Management, which promotes accountability.</p> <p>The Board and the Board Committees are supported operationally by the MC which consists of Senior Management headed by the PGCEO.</p> <p>MAM was established on 10 August 2020 with the following primary objectives:</p> <ul style="list-style-type: none"><li>• To deliberate on audit reports, assess the adequacy and effectiveness of internal controls on operations and compliance with the established policies, procedures and legal requirements;</li></ul>

- To review and conclude actions plans that should be taken by Auditee on audit findings raised through consensus and mutual agreement;
- To deliberate upon the corrective actions to be taken and their implementation; and
- To follow-up on the status of the implementation of agreed action plans.

The Group's IT System is governed by the IT Policies. These policies prescribed the use of all IT facilities within the Group which include but not limited to IT Security Policies, E-Mail Policies, Anti-Virus Policies, Software Usage Policies and Backup Policies.

IT Key Risks were identified through risk management process and managed by the UMW IT Services Sdn Bhd (except for Automotive Division) and the Information Technology Services Division (for Automotive Division).

The Group has adequately resourced the Group Internal Audit Division (**GIAD**) which is an integral part of the Group's internal controls system, risk management and governance processes.

The GIAD reports directly to the AC and provides independent, reasonable and objective assurance in addition to consulting services designed to add value and improve the efficiency of the Group's operations.

The GIAD adopts a risk-based approach in developing its audit plan based on the Group's risks profile and conducts regular audits on all subsidiaries and principal areas of operations within the Group. It ensures that the Group's system of internal control remains effective and efficient, is adequately monitored and enhanced when the need arises. The audit also covers the Group's major information systems and applications.

In 2022, the Integrity & Governance Unit (**IGU**) continued to implement the initiatives under the 3-Year IGU Blueprint (2021-2023) towards "Sustainable Bribery and Corruption Free" organisation. UMW Corporation Sdn. Bhd. had successfully achieved the Anti-Bribery Management Systems (ABMS) ISO 37001 certification by SIRIM in October 2022.

The effectiveness of the Group's systems of Risk Management & Internal Controls are monitored through monthly management review of financial and operating results, business processes, the state of internal controls and business risk profile by the respective Heads of SBUs and reported to the MC.

In addition to the monthly reporting, the PGCEO undertakes a mid-term business review on all SBUs and initiates corrective measures where needed. Apart from that, regular internal visits are also made to companies within each SBU by the Senior Management to monitor compliance with policies and to assess their performance. The Board is updated on the business performance on a quarterly basis.

These reviews are supplemented by a comprehensive review undertaken by the GIAD on controls implemented at each individual business unit. Reports on the reviews carried out by the GIAD are submitted on a regular basis to the Management and the AC. These

	<p>reports assess the impact of control issues and recommend appropriate actions to be taken to strengthen controls.</p> <p>The Board recognises that these systems are designed to manage and mitigate, rather than eliminate the risk of failure to achieve the Group's business and corporate objectives within the risk appetite established by the Board and the Management. These systems can therefore provide only reasonable and not absolute assurance against material misstatement, loss or fraud. The Group's concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.</p> <p>Details on the risk management and internal control systems are provided in the SORMIC on pages 136 to 142 of the IAR 2022</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The RMSC comprises five (5) members, as follows:</p> <ol style="list-style-type: none"><li>1. Dato' Eshah Meor Suleiman, INED/Chairperson;</li><li>2. Razalee Amin, INED;</li><li>3. Dato' Azmi Mohd Ali, INED;</li><li>4. Dato' Seri Prof. Dr. Ir. Zaini Ujang INED; and</li><li>5. Mohd Shahazwan Mohd Haris, Non-INED.</li></ol> <p>On 31 March 2022, Salwah Abdul Shukor resigned from the RMSC and was succeeded by Dato' Azmi Mohd Ali on 1 April 2022, whilst Dato' Seri Prof. Dr. Ir. Zaini Ujang and Mohd Shahazwan Mohd Haris were appointed on 12 October 2022.</p> <p>The RMSC's TOR which is included in the Board Charter is available at the Company's website at <a href="http://umw.com.my">Board Charter (26 Jan 2023) (umw.com.my)</a>.</p>

**Intended Outcome**

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 11.1**

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has an in-house internal audit function which is carried out by GIAD, which is independent of the business operations and has a Groupwide mandate set out in its Audit Charter as approved by the AC. It provides the Board, through the AC, with reasonable assurance on the adequacy and effectiveness of the risk management and internal control system, and governance processes within the UMW Group. UMW Group is a corporate member of the Institute of Internal Auditors Malaysia (IIAM). The internal audit activities performed by GIAD conform with the International Standards for the Professional Practice of Internal Auditing.</p> <p>For the financial year under review, GIAD carried out audit activities in accordance with the 2022 Audit Plan approved by the AC on 20 November 2021. The audit plan was developed on a risk-based audit approach covering areas on governance, risk management, controls of high-risk business activities and information systems. GIAD also carried out investigative and/or special review audits, as and when required, and reported directly to the AC on major findings and any significant control issues and concerns.</p> <p>For the financial year under review, the total cost incurred by GIAD in discharging its internal audit function was RM3.121 million compared with RM4.369 million in 2021. The Group's internal audit function was carried out solely by GIAD and there were no areas of internal audit function outsourced in FY2022.</p> <p>GIAD conducts regular audits on all subsidiaries and principal areas of operations within the Group. It ensures that the Group's system of internal controls remains effective and efficient and are adequately monitored and enhanced when the need arises. The audit also covers UMW Group's major information systems and applications.</p> <p>A summary of activities carried out by GIAD are provided in the AC Report on page 135 of the IAR 2022.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>GIAD is independent of the Group’s business operations and has a Group-wide mandate set out in its Internal Audit Charter, as approved by the AC. GIAD performed its audit functions as per the standards prescribed by the International Standards for the Professional Practice of Internal Auditing and in accordance with the annual audit plan approved by the AC each year. The audit plan covers the scope of the audit work and the resources needed to perform such work.</p> <p>The GIAD’s Internal Audit Charter emphasises on its independence and objectivity and shall remain free from interference by any element in the Group. GIAD has no direct operational responsibility or authority over any of the activities audited.</p> <p>During the period under review, Puan Wan Aishah Idris Muhamad Idris was the Head of GIAD who reported the GIAD’s functionality to the AC and administratively to the PGCEO. She is a Certified Internal Auditor (CIA) and Certified Integrity Officer (CeIO), with 25 years of audit experience.</p> <p>GIAD is currently manned by 17 internal auditors, the majority of whom have relevant qualifications (namely in accounting, engineering and Information Technology) and work experience with diverse backgrounds. GIAD internal auditors are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional audit certifications, seminars, courses and on-the-job training.</p> <p>UMW is a corporate member of the IIAM and subscribes to the standards issued by The Institute of Internal Auditors Inc. In addition, GIAD also adheres to the Group’s relevant policies and procedures and the GIAD’s Internal Manual.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has always recognised the importance of accurate and timely dissemination of information to shareholders and investors, existing and potential, about the Group's operations, strategies, performance and prospects to maintain credibility and build stronger relationships with the investment community.</p> <p>All communications with the investment community/media/public and disclosures made to Bursa Securities are in accordance with the IMRP and the disclosure requirements of MMLR of Bursa Securities. The Group Chairman, the PGCEO and the Group Chief Financial Officer (<b>GCFO</b>) and selected members of top management are responsible for making disclosures and responding to market rumours and queries. The Group communicates with its stakeholders through various platforms as follows:</p> <ol style="list-style-type: none"><li>1. Engagement with shareholders, investors and analysts</li></ol> <p>The Group via its corporate website at <a href="http://www.umw.com.my">www.umw.com.my</a> provides easy access to corporate information of the Group and its activities. The corporate information, which includes details on the Board, the Board Charter and TOR are available on its corporate governance section. All announcements made by the Company, annual reports, CG structure, sustainability report, notices of general meetings, minutes of general meetings are available on its website for the benefit of shareholders.</p> <p>Quarterly IR briefing deck and information on financial results and material events are uploaded on the UMW website immediately after announcements on the same are made to Bursa Securities. The Quarterly IR briefing deck provides a detailed analysis of the Group's quarterly operations, variances and general prospects. A briefing (virtual) to the investment community is held immediately after our quarterly financial results announcement.</p> <p>Dialogues and briefings with analysts, fund managers, potential investors, locally and abroad, and shareholders were conducted from time to time.</p> <p>The Company's annual report contains comprehensive information of the Group's corporate structure and operations. The annual report contents are continuously enhanced to better reflect transparency and accountability.</p> <ol style="list-style-type: none"><li>2. Engagements with UMW's employees</li></ol> <p>UMW has always maintained an open and two-way communication with its employees to discuss among others, the Company's</p>

	<p>performance and growth strategies through dialogues and townhall sessions and roadshows.</p> <p>3. Engagements with local communities</p> <p>UMW engages with its local communities through Corporate Social Responsibility initiatives, focusing on education, the environment, and community development. Besides the CSR initiatives, local communities may also contact the Company via email at enquiry@umw.com.my or interact with the Company via the social media platforms by user account name @umwofficial (Instagram &amp; Facebook) to raise issues, concerns or suggestions to the Company.</p> <p>Details on the Group's stakeholder engagement activities are available on the Company's website at <a href="http://www.umw.com.my">www.umw.com.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Since 2020, the Group's annual report generally adopts the guiding principles prescribed in the International Integrated Reporting Council (IIRC) framework. The first Integrated Annual Report (IAR) was issued on 28 May 2020. The Company has set a 5-year roadmap for continuously improving and maturing the integrated reporting in line with global best practices.</p> <p>The second and third IAR were the IAR 2020 and IAR 2021 which were issued on 21 April 2021 and 26 April 2022, respectively. This IAR 2022 will be the fourth IAR issued which serves as a key communication tool to describe the strategies taken to progress its value creation journey. The IAR goes beyond by examines the risks and opportunities present in all the business the Group is in and how the Group applies good governance and sustainability practices to ensure sustainable outcomes.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>UMW dispatches the notice of its AGM to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement as required under the CA 2016, MMLR of Bursa Securities and its Constitution.</p> <p>The Notice of the 40<sup>th</sup> AGM in 2022 was issued to shareholders on 26 April 2022, giving a 28-days' notice.</p> <p>The Notice of AGM for the forthcoming 41<sup>st</sup> AGM, which is scheduled on 17 May 2023, will be issued on 17 April 2023, effectively serving 29 days of notice.</p> <p>UMW will publish on its website an Administrative Guide along with the Notice of the 41<sup>st</sup> AGM to provide additional information to shareholders regarding details of the AGM, eligibility to attend the AGM, registration procedures for the Remote Participation and Voting (<b>RPV</b>) facilities and appointment of a proxy/proxies.</p> <p>In addition, the AGM notice also provided shareholders with detailed explanations for each resolution proposed to enable the shareholders to make informed decisions in exercising their voting rights at the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company regards its general meetings, particularly its AGMs, as the principal forum for direct interaction and dialogue among shareholders, the Board and the Management. AGMs provide an important avenue for effective communication with shareholders and for receiving constructive feedback particularly on matters concerning shareholders' interests.</p> <p>All ten (10) directors attended the 40<sup>th</sup> AGM held on 26 May 2022 which was conducted virtual via live streaming and online remote using the RPV facilities from the broadcast venue at the Hallmark, Level 12, Menara UMW, Jalan Puncak, Off Jalan P. Ramlee, 50250 Kuala Lumpur.</p> <p>A total of 31 essential individuals including the ten (10) Directors were physically present at the Broadcast Venue in accordance with the SC's <i>Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 19 February 2021</i>:-</p> <ol style="list-style-type: none"><li>1. Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Group Chairman);</li><li>2. Dato' Ahmad Fuaad Mohd Kenali (President &amp; Group Chief Executive Officer/Executive Director);</li><li>3. Tan Sri Hasmah Abdullah;</li><li>4. Dato' Eshah Meor Suleiman;</li><li>5. Datin Paduka Kartini Hj Abdul Manaf;</li><li>6. Dr. Veerinderjeet Singh Tejwant Singh;</li><li>7. Lim Tze Seong;</li><li>8. Razalee Amin;</li><li>9. Dato' Seri Prof. Dr. Ir. Zaini Ujang; and</li><li>10. Dato' Azmi Mohd Ali.</li></ol> <p>The Joint Group Secretary, the GCFO, the External Audit Partner of EY, the Scrutineer Ms Cathy Chew of Commercial Quest Sdn Bhd (<b>CQ</b>) and six (6) audio and visual support personnel were also physically present at the Broadcast Venue.</p> <p>In accordance with the SOPs issued by the Malaysian National Security Council, the above number of essential individuals present at the broadcast venue was less than 50% of the capacity of the Hallmark.</p> <p>A total of 345 members, comprising shareholders, proxies and corporate representatives, representing 1,034,071,646 ordinary shares or 88.51% of the total issued share capital of the Company, attended the 40<sup>th</sup> AGM via SS E Solutions Sdn Bhd (<b>SSE</b>) e-Portal platform. The proceedings of the 40<sup>th</sup> AGM commenced with a presentation by the PGCEO on the Company's operations and financial performance for the preceding financial year, followed by the questions received from the MSWG together with the replies. Both the presentation by the PGCEO and the letter from MSWG are made available on the Company's website.</p> <p>Prior to proceeding with the Agenda of the 40<sup>th</sup> AGM, the Group Chairman invited shareholders to participate and raise any questions</p>

	<p>and seek clarifications on the proposals tabled using real time submissions via the Query Box provided. The Group Chairman read and answered most of the questions received live from the Query Box.</p> <p>The proceedings of the 40<sup>th</sup> AGM are recorded in the minutes of the meeting and published on the Company's website within a reasonable time.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 40<sup>th</sup> AGM of the Company held on 26 May 2022 was conducted fully virtual via live streaming and online remote voting from the broadcast venue using the Remote Participation and Voting facilities provided by SSE. The voting was conducted on a poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.</p> <p>The Company had appointed SSE as Poll Administrator to conduct the polling process, and Commercial Quest Sdn Bhd (<b>CQ</b>) as the Scrutineers to verify the poll results.</p> <p>The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Article 84(2) of the Company's Constitution which requires the Chairman of the meeting to be present at the main venue of the meeting.</p> <p>The Company had conducted a fully virtual 40<sup>th</sup> AGM on 26 May 2022 at the broadcast venue by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016, and the SC's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 19 February 2021.</p> <p><u>Remote shareholders' participation at the 40<sup>th</sup> AGM</u></p> <p>Shareholders were invited to exercise their right to attend, participate and vote at the meeting remotely by using the RPV facilities at <a href="https://sshbs.net.my/login.aspx">https://sshbs.net.my/login.aspx</a>. The registration for attendance was opened from 10.00 a.m. Tuesday, 24 May 2022 at 12.30 p.m. until the commencement of the 40<sup>th</sup> AGM on Thursday, 26 May 2022. Detailed procedures were provided to shareholders in the Administrative Guide. After verification that one was a shareholder based on the General Meeting Record of Depositors (<b>ROD</b>) as at 19 May 2022, the relevant shareholder was notified via e-mail by SSE that his/her registration for the remote participation at the 40<sup>th</sup> AGM had been approved. If the shareholder was already a user with SS e-Portal, he/she could log in with his/her username and password to submit the request to participate remotely via live streaming and online remote voting. An e-mail notification to confirm the shareholder's registration for RPV was then sent by SSE after its verification based on the General Meeting ROD as at 19 May 2022 and upon the cut-off date and time for proxy form submission.</p> <p><u>Voting in absentia</u></p> <p>Shareholders logged on with their usernames and passwords at SS e-Portal and participated remotely via live streaming at the 40<sup>th</sup> AGM. A</p>



	<p>short video by SSE was played to demonstrate to the members, corporate representatives and proxies who were present at the 40<sup>th</sup> AGM on the process for online voting via SS e-Portal. The voting session had commenced from the start of the Meeting at 10.00 a.m. until the close of the voting session. The Scrutineers, CQ verified and announced the poll results for each resolution, which included votes in favour and against, upon which the Group Chairman of the 40<sup>th</sup> AGM declared that all the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders.</p> <p>The PGCEO's presentation together with the questions from Minority Shareholders Watch Group were uploaded to the Company's website on 26 May 2022 and 25 May 2022 respectively whilst the Minutes of the 40<sup>th</sup> AGM were made available on the Company's website at <a href="#">Minutes-of-the-AGM.pdf (chartnexus.com)</a> from 23 June 2022.</p> <p>Subsequent to the issuance of the MCCG on 28 April 2021, Joint Group Secretary had sought confirmation from SSE on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats. To this, SSE had confirmed that it has consistently tested its server capacity and upgraded as and when required. SSE explained that its SS e-Portal uses a 2,048 bit encryption and is hosted on AIMS Data Center ("AIMS"), a secure site at an accredited data centre with ISO/IEC 27001: 2013 standard, ISO/IEC 20000-1: 2011 standard, ISO 9001: 2015 standard, Uptime Institute Tier III DC, certified to Threat, Vulnerability and Risk Assessment (TVRA) security framework, and ANSI/TIA-942. It is also one of Asia's most established, trusted and respected data centre operators with nearly three decades of industry experience. As the home of the Malaysian Internet Exchange (MyIX), AIMS offers unrivalled connectivity options to their dynamic ecosystem and the world beyond. AIMS' facilities are equipped with advanced systems for power, cooling and security as well as fire detection and suppression, producing the most conducive data centre environment possible. Data security is assured at AIMS' Tier III-certified facilities, which provides round-the-clock multi-layered security controls at all access points within their facilities along with always-on, digitally recorded camera monitoring systems at multiple sites.</p> <p>The Company did a mock/setup AGM before the AGM with SSE to review and test all technicalities including running diagnostics for a stable internet connection with mitigation plans in place to mitigate any untoward experience with the virtual general meetings and to ensure a smooth AGM. Though SSE's preference is the use of LAN line they brought along backup broadband with different telco providers to switch lines to the backup broadband as seamlessly in the event the internet becomes unstable or when such need arises.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At the 40<sup>th</sup> AGM, the Group Chairman briefed the members, corporate representatives and proxies present virtually at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 40<sup>th</sup> AGM dated 26 April 2022.</p> <p>Dato' Fuaad presented the Group's performance for FY2021, covering the following key points:</p> <ol style="list-style-type: none"><li>1. 2021 Challenges;</li><li>2. 2021 Financial Highlights;</li><li>3. CREST@2021: 2021 Key Operational Highlights &amp; Achievements;</li><li>4. 2022 Market Outlook;</li><li>5. Business Outlook on:<ol style="list-style-type: none"><li>a) Automotive Segment: UMW Toyota Motor Sdn Bhd, Perodua and Otomobil Sejahtera Sdn Bhd;</li><li>b) Equipment Segment;</li><li>c) Manufacturing &amp; Engineering Segment; and</li><li>d) Aerospace Segment; and</li></ol></li><li>6. CREST@2021 – Redefining Sustainability.</li></ol> <p>All the Directors and senior management as mentioned under Practice 13.2 were present at the 40<sup>th</sup> AGM to provide responses to the questions posed by shareholders via SSE portal in relation to the agenda items for the 40<sup>th</sup> AGM, both prior to and during the 40<sup>th</sup> AGM.</p> <p>Apart from the six (6) questions received from MSWG, the Company received 14 questions from the shareholders/proxyholders and these questions were answered by the Group Chairman during the 40<sup>th</sup> AGM.</p> <p>To ensure effective communication with the shareholders at a fully virtual general meeting, questions posed by shareholders were displayed on the screen for the meeting participants' reference whilst the Group Chairman read out and answered the shareholders' questions.</p> <p>Whilst the AGM is one (1) of the platforms where shareholders can raise issues and seek an explanation from the Board and Management, they are also welcomed to email their queries to <a href="mailto:imrs@umw.com.my">imrs@umw.com.my</a></p>
<b>Explanation for departure</b>	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Accucap MSC Sdn Bhd was engaged to provide audio and visual support services to broadcast the proceedings of the 40<sup>th</sup> AGM virtually. It was live-streamed for access via SS e-Portal:</p> <ol style="list-style-type: none"><li>1. The Poll Administrator, SSE had verified the eligibility of shareholders/corporate representatives/proxies to attend the 40<sup>th</sup> AGM based on the General Meeting Record of Depositors as at 19 May 2022 and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the RPV at the 40<sup>th</sup> AGM.</li><li>2. SSE had introduced an application called the Moderator Link, as part of its new services to assist the user in tracking the questions posed by the shareholders during AGM, to facilitate the listed issuer's compliance with the SC's Guidance. Questions posed by shareholders via SS e-Portal had been captured and transmitted to the Company for action and response, prior to and during the 40<sup>th</sup> AGM. Similarly, the same application/tool had been used by the Company for the same questions to be made visible to all meeting participants.</li><li>3. With the use of Moderator LINK, the Group Chairman who has a good understanding of the Company's business, had managed the Q&amp;A session smoothly and efficiently. Each question had been displayed on the screen as and when the Group Chairman provided their responses to the respective questions accordingly in an orderly manner.</li><li>4. The Q&amp;A session served as an interaction between the Directors, the Management and shareholders during the fully virtual meeting. Whilst the members were in attendance in the proceedings of the 40<sup>th</sup> AGM at "(LIVE STREAM MEETING) UMW HOLDINGS BERHAD 40<sup>th</sup> AGM", he/she could select "REMOTE VOTING" under Corporate Exercise/Event and click "&gt;" to remotely cast and submit the votes online for the resolutions tabled at the 40<sup>th</sup> AGM. This is in line with the SC's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.</li></ol>

	<p>5. The poll results were verified by the Scrutineers, CQ between 11.15 a.m. and 11.35 a.m. The Scrutineers, Ms Cathy Chew of CQ announced the poll results of each Resolution 1 to 8 and each of them was displayed to members, corporate representatives and proxies present as the Group Chairman declared that the resolutions were duly passed.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 40 <sup>th</sup> AGM dated 26 May 2022 duly confirmed and signed was uploaded on the Company's website at <a href="#">Minutes-of-the-AGM.pdf (chartnexus.com)</a> on 23 June 2022, i.e., within 30 business days from the date of 40 <sup>th</sup> AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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